Public Agency & Schools Reference Guide

California Public Employees' Retirement System

August 2026



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Introduction

This guide provides you with information and resources to support accurate and timely reporting to the California Public Employees' Retirement System (CalPERS).

This guide is divided into the following sections:

- Contract Coverage Procedures
- Membership
- Compensation Review
- Payroll Reporting
- Benefits
- Web Services and Publications
- Education and Other Resources
- Appendix

These eight sections cover the main areas of CalPERS operations. Subjects covered within each section are outlined in the table of contents. Forms unavailable in the Appendix are available in Forms & Publications on the CalPERS website for your reference.

We encourage you to share this information with your agency's representatives who are responsible for enrolling employees into CalPERS membership or conveying benefit information to staff.

Use this guide on the CalPERS website as your resource to answer questions. Call the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377) if you need additional assistance.

Confidentiality of Member Data

For the member's protection, each employee involved with CalPERS reporting should be aware of Government Code section 20230, which states "Data filed by any member or beneficiary with the Board is confidential, and no individual record shall be divulged by any official or employee having access to it or any person other than the member to whom the information relates or his authorized representative, the contracting agency or school district by which he is employed, any state department or agency, or the university. Such information shall be used by the Board for the sole purpose of carrying into effect the provisions of this part. Any information which is requested for retirement purposes by any public agency shall be treated as confidential by such agency."

myCalPERS Member Self-Service

myCalPERS provides members access to their real-time account information. This enhancement allows members to review the information submitted on their behalf by their employers, including appointment, payroll, and service credit information.

Therefore, it is critical to stay current with information reported to CalPERS on behalf of your employees. Employer accuracy and promptness will alleviate future concerns or questions members may have with their CalPERS account and the information provided by your agency.

Employers are expected to be knowledgeable of all areas covered in the guide, as well as in Circular Letters and other standard CalPERS publications. If you encounter an unusual situation not addressed in any of these forums, we strongly urge you to contact us in advance for advice about such situations, so that we can review the facts and advise you appropriately.

Headquarters Office Location

California Public Employees' Retirement System
400 Q Street
Sacramento, CA 95811
(916) 795-3000

Mailing Address and Fax Number

California Public Employees' Retirement System
P.O. Box 942715
Sacramento, CA 94229-2715

Fax: 800-959-6545

TDD (Speech and Hearing Impaired)

(877) 249-7442

California Relay Service – Telecommunications Device for the Deaf

(800) 735-2929

CalPERS Customer Contact Center

The CalPERS Customer Contact Center acts as a single point of contact for employers and members. Call us during business hours at **888 CalPERS** (or **888**-225-7377). Our business hours are Monday through Friday from 8:00 a.m. to 5:00 p.m. All CalPERS offices are closed on state holidays.

Employer Information

- Actuarial services
- CalPERS Education Center enrollment
- Communication services
- Compensation review
- Constituent services
- Emergency retirements
- Employer contracts
- Employer education
- Health enrollment transactions
- Health plan eligibility
- Initiate employer contract amendments
- Payroll discrepancies

- Payroll file transfer
- Payroll reporting information
- Process death reports
- Public agency health billing
- Reciprocity information
- Requests for forms & publications
- Retirement application status
- Retirement eligibility
- Social Security Number discrepancies
- Update employer contacts

Member Information

- Address changes
- Annual Member Statements
- Changing beneficiaries
- Community property information
- Contribution adjustments
- Cost-of-living adjustments (COLAs)
- Direct deposit of monthly benefit payment
- Emergency retirements
- First tier and second tier benefits
- Health plan eligibility and enrollment
- Monthly retirement warrants
- Pension compensation review
- Post-retirement death notifications
- Pre-retirement death benefits
- Reciprocity refund information
- Replacement of lost or stolen checks
- Retirement eligibility and payment
- Service credit information
- Service or disability retirement
- Survivor and beneficiary information
- Tax withholding changes
- Working after retirement

CalPERS Regional Offices

Areas of Service

- Educational classes and events

- Personalized assistance with benefits and services, including support with retirement applications, form submissions, generating retirement estimates via Member Self-Service, and other needs
- Public information counters
- Retirement counseling, including emergency retirement

CalPERS Regional Office locations and hours can be found on our Headquarters & Regional Offices webpage.

About Service Retirement

Service retirement is a lifetime benefit that is derived from key employment information you provide. Your employee may apply for a service retirement when they have five years of CalPERS service and meet the age requirement. If they were hired **prior to** January 1, 2013, they must be age 50. If they were hired **on or after** January 1, 2013, they must be at least age 52.

When an employee retires, their lifetime retirement benefit is calculated using a formula that includes years of service credit, age at retirement, and final compensation. Final compensation is their highest average full-time monthly pay rate for a one- or three-period based on the employer contract or collective bargaining unit agreement. It is critical that service credit and final compensation be reported correctly to ensure the employee retires without delay and receives the correct retirement allowance.

While there are many variables in figuring your service retirement benefits, the basic formula is:

Service Credit (years of CalPERS service) X **Benefit Factor** (percent per year) X **Final Compensation** (monthly, dollars) **= Unmodified Allowance** (pension)

A member's retirement benefit formula is based on their membership category, which is determined by the employer, classification (miscellaneous, safety, industrial, or peace officer/firefighter), and specific provisions outlined in each agency's contract with CalPERS.

Contract Coverage Procedures

Public Agency Contract Information

To contract for retirement benefits with CalPERS, you must complete CalPERS' Public Agency Applicant Questionnaire (PDF) (AQ) to initiate Phase I of the two-phase contracting process (refer to Circular Letter 200-022-13 [PDF]).

Upon submitting your agency's AQ and supporting formation documents, we will assign a pension contract analyst to your case. The assigned analyst will notify you once the contract eligibility determination is complete.

If your agency qualifies to participate in CalPERS, we will notify you that you are eligible to proceed to Phase II of the public agency contracting process. At that time, we will provide an information packet that includes:

- New Agency Pension Contract Questionnaire (CON-7)

- Optional Benefits Listing (PERS-CON-40) (PDF)
- Employee Census Data Spreadsheet (CON-1020)
- Summary of Major Provisions
- Applicable Benefit forms and publications

Depending upon the complexity of your case, the contracting process may take up to 12 months to complete.

When you are ready to proceed, you must complete and return the required Phase II documents, along with all supporting documents of origin, including the Employer Certification form, to CalPERS. You must submit all required documentation before we can proceed with contract development.

To be eligible to contract with CalPERS, your agency must qualify as a governmental plan under section 414(d) of the Internal Revenue Code, as interpreted under applicable federal guidance, and meet the definition of a "public agency" under California Government Code section 20056 of the California Public Employees' Retirement Law (PERL), which defines a public agency as "any city, county, district, other local authority or public body of or within this state."

You may provide retirement benefits for two general membership categories: miscellaneous and safety. Contract provisions will vary based on your agency's selections, including:

- Member categories
- Benefit formula(s)
- Optional benefit provisions

You may include optional benefits in your agency's initial contract or add them later through the contract amendment process.

Your agency may also contract for multiple plans and options. For example, you may establish a miscellaneous plan for employees not engaged in hazardous duties and one or more safety plans for police, firefighters, peace officers, and other safety members.

PERL requires certain provisions to be included in all public agency contracts, while others are optional.

The following Government Code provisions are mandatory:

- Section 21620 ($2,000 Retired Death Benefit)
- Section 21329 (2% Cost-of-Living Adjustment)
- Section 20037 (Three-Years Final Compensation)
- Section 21551 (Continuation of Pre-Retirement Death Benefits After Remarriage of Survivor)

Additionally, Government Code sections 20840, 20841, and 20842 authorize the CalPERS Board to establish risk pools and require participation for public agencies with fewer than 100 active members. Pursuant to section 20840(e), each risk pool must include the following provisions:

- Section 20963.5 (Unused Sick Leave Credit, as applicable)
- Section 20965 (Credit for Unused Sick Leave)

- Section 21022 (Public Service Credit for Periods of Layoffs)
- Section 21026 (Public Service Credit for Service Rendered to a Nonprofit Corporation)
- Section 21037 (Cancellation of Election Upon Disability Retirement or Special Death)
- Section 21536 (Local System Service Credit Included in Basic Death Benefit), when applicable
- Section 21548 (Pre-Retirement Option 2W Death Benefit)

As part of the contracting process, you must select a lump-sum death benefit, a cost-of-living adjustment (COLA) percentage, and a level of pre-retirement survivor benefits for employees not covered by Social Security.

In addition to the mandatory provisions listed above, you may elect optional benefits, as outlined in the Optional Benefits Listing (PERS-CON-40) (PDF), which is available on the CalPERS website.

You may access your agency's contract information at any time through myCalPERS.

Note: If you need assistance with locating your retirement contract, you can email us at CalPERS_Employer_Communications@CalPERS.ca.gov and our educators will walk you through your contract.

Initiate New Contract

If you represent a new city, county, district, other local authority, or public body within the state, you must complete CalPERS' eligibility review process before entering into a retirement contract. To proceed, your agency must be determined eligible to participate in a governmental plan and meet requirements proposed under section 414(d) of the proposed Internal Revenue Code. If you are unsure whether your agency meets these criteria, you may call CalPERS' Employer Contact Center at **888 CalPERS** (or **888**-225-7377).

The retirement contract process includes, but is not limited to:

- Confirmation/validation of questionnaire information
- Determination of contract provisions and benefits
- An actuarial valuation
- Review of required documents
- Establishing contract effective date

As you approach the final stages of the contracting process, we will contact you to schedule required employer training.

If a unit of your agency has become a separate entity independent from the CalPERS reporting employer, you should contact the Employer Contact Center at **888 CalPERS** (or **888**-225-7377) for additional guidance.

Amendments & Valuation Requests

You may request a contract amendment, actuarial valuation, or contract termination through myCalPERS. Once you submit your request, the required documents and associated contract information will be uploaded to the system and the process will begin.

Through myCalPERS you may also monitor:

- Contract change status
- Current phase of the contract amendment process
- Contract elements under review
- Request for additional information
- Approval of the contract amendment
- Contract amendment activation date

You may request multiple valuations through myCalPERS and confirm your intent to pay at the time of submission. We will notify you electronically when your valuation is available for review.

Note: We must receive payment before we can process your valuation request.

Refer to the Optional Benefits Listing (PERS-CON-40) (PDF), for a list of all available contract provisions—also available on our website at www.calpers.ca.gov.

For additional information, you may visit the CalPERS website or contact our Employer Contact Center at **888 CalPERS** (or **888**-225-7377).

Public Employees' Pension Reform Act of 2013

Under the Public Employees' Pension Reform Act (PEPRA), you are prohibited from receiving retroactive pension benefit enhancements that apply to service performed prior to the effective date of the contract amendment, pursuant to California Government Code section 7522.44.

PEPRA establishes new benefit structures for members who first become CalPERS members on and after January 1, 2013. Specifically:

- California Government Code section 7522.02 reduces benefit formulas and increases retirement age thresholds
- California Government Code section 7522.15 requires new defined benefit formulas for all new miscellaneous and safety members

Note: Refer to the Membership chapter of this guide for the definition of a "new member" under PEPRA.

For new safety members, California Government Code section 7522.25 provides for three possible retirement formulas. You must provide the formula that is closest to the one offered to classic members in the same classification, while ensuring the benefit at age 55 is lower than that provided to classic members. These formulas include an early retirement age of 50 and a maximum benefit factor at age 57.

For new miscellaneous members, California Government Code section 7522.20 establishes a defined benefit formula of 2% at age 62, with an early retirement age of 52 and a maximum benefit formula of 2.5% at age 67.

These formulas became effective January 1, 2013. As of December 31, 2012, legislatively mandated provisions were incorporated into existing contracts, with limited exceptions, resulting in the creation of the new benefit groups.

Resolutions

You may upload and submit required resolutions through myCalPERS. Sample resolutions—such as Employer Paid Member Contributions (EPMC) and Tax Deferred Member Contributions—are available on the CalPERS website under Forms & Publications.

You must complete the applicable resolution, obtain approval from your governing body, and submit the signed document electronically through myCalPERS. Once submitted, myCalPERS will confirm receipt and display the status of your submission.

Risk Pooling

Risk pooling combines the assets and liabilities of multiple employers to create larger risk-sharing pools. Most CalPERS public agencies participate in a risk pool, which helps reduce volatility in employer contribution rates resulting from demographic fluctuations.

The CalPERS Board is authorized to establish risk pools and requires participation for plans with fewer than 100 active members. Your agency will be assigned to one or more risk pools based on its member category and service retirement formula.

Pursuant to California Government Code section 20840(e), each risk pool must include specified mandatory provisions. You may amend your contract to add optional benefits, where permitted.

For additional information, you may visit the CalPERS website at www.calpers.ca.gov or contact the CalPERS Employer Contact Center at **888 CalPERS** (or **888**-225-7377).

Contract Details

You may access your agency's retirement contract information at any time through myCalPERS. Access is granted by your agency's System Access Administrator.

To review your contract, navigate to the **Profile** tab and select the **Retirement Contract** tab. The Business Partner Retirement Contract Report includes:

- Member categories
- Benefit formulas
- Final compensation provisions
- Cost-of-living adjustment (COLA)
- Employer and employee contribution rates
- Risk pool information, if applicable
- Resolutions on file

If you have questions regarding establishing a contract or requesting an amendment, you should contact the CalPERS Employer Contact Center at **888 CalPERS** (or **888**-225-7377) or visit the CalPERS website at www.calpers.ca.gov.

Employee Cost Sharing

Pursuant to California Government Code Section 20516 (Employees Sharing Additional Cost), you may share a portion of the employer's pension costs with employees. There are two methods available: the **Amendment Method** and the **Memorandum of Understanding (MOU) Method**.

The MOU Method allows you to implement cost sharing outside of a contract amendment if your agency has already contracted for cost sharing for the applicable represented group.

Amendment Method

Under the Amendment Method, the employer and employees must agree in writing to share additional costs. You must submit this agreement to CalPERS for review before proceeding with a contract amendment.

Additional member contributions made under this method are credited to each member's account as normal contributions. These contributions are refundable if a member separates from CalPERS-covered employment and elects to withdraw their contributions.

If you adopt a resolution under Internal Revenue Code section 414(h)(2), the members' contributions—including the cost-sharing portion—may be treated as tax-deferred.

Note: For questions regarding tax implications, you should contact the Internal Revenue Service at **(800) 829-4059** or visit www.irs.gov

County School Coverage

County Superintendents of Schools were mandated into CalPERS, effective July 1, 1949, pursuant to California Government Code section 20063, to provide retirement coverage for classified school positions.

Retirement coverage for CalPERS school members is generally uniform statewide, except for County Superintendents of Schools that have elected optional provisions, such as Two Years Additional Service Credit under California Government Code section 20903 (refer to Optional Contract Provisions for County Schools).

The following provisions are mandated for classified school members by statute:

Military Service Credit

(Gov. Code § 20997)

If a member is granted a military leave of absence under Government Code section 20990, enters military service within 90 days of separation, and returns to employment within six months of discharge, you must pay all required contributions for the period of absence.

1959 Survivor Benefits

(Gov. Code § 21574.7)

Members covered by the 1959 Survivor Benefit are not covered by Social Security. This benefit provides a monthly allowance to eligible survivors if the member dies while in active employment.

Sick Leave Credit

(Gov. Code §§ 20963 and 20963.5)

For school members who retire on or after January 1, 1999, you must provide additional service credit at the rate of 0.004 years for each day of unused sick leave.

Sick Leave Credit – School Safety Members

(Gov. Code § 20963.5)

Unused sick leave credit does not apply to school safety members employed on July 1, 1980, who retired prior to January 1, 1999. For those retiring on or after January 1, 1999, you must provide service credit at the rate of 0.004 years per day of unused sick leave.

Retired Death Benefit

(Gov. Code § 21623)

This provision requires a $2,000 death benefit to be paid to the beneficiary of a retired member.

Post-Retirement Survivor Allowance

(Gov. Code §§ 21629 and 21630)

This benefit provides a continuing allowance to eligible survivors upon the death of a retired member

- **For service retirement:**
  The surviving spouse or domestic partner must have been married to or registered with the member for at least one year prior to retirement and continuously until the member's death.
- **For disability retirement:**

There is no one-year marriage requirement. The surviving spouse or domestic partner must have been married to or registered with the member at the time of retirement and continuously until death.

- **Eligible children:**
  Natural or adopted unmarried children under age 18 qualify if there is no eligible spouse or domestic partner. Benefits continue until marriage or age 18. An unmarried child who was disabled prior to age 18 and remains continuously disabled may receive benefits for the duration of the disability.
- **Dependent parents**
  Qualifying dependent parents may receive benefits if there is no eligible spouse, domestic partner, or child.

Final Compensation

(Gov. Code § 20035.5)

Final Compensation is the highest annual compensation earned by the school member during a consecutive 12-month period of employment immediately preceding the effective date of their retirement or any other highest-paid consecutive 12-month period of CalPERS-covered employment.

Note: The Public Employees' Pension Reform Act (PEPRA) of 2013, which took effect on January 1, 2013, implemented a three-year final compensation period for school employees who meet the definition of a new member under PEPRA.

Reduced Workload Program – Certificated and Academic Employees

(Gov. Code § 20900)

A member participating in the Reduced Workload Program will reduce his or her time base from full time to part time. While employed part time, the member shall receive the service credit they would have earned if they were employed on a full-time basis, provided the member and their employer both elect to contribute to CalPERS the amount that would have been contributed if the member were employed on a full-time basis.

Employer personnel departments, in conjunction with CalPERS administrative staff, are responsible for the administration of the Reduced Workload Program and the requirement to verify the eligibility of the applicant for the program. Eligibility for the Reduced Workload Program requires members to meet each of the following criteria:

(1) Be a certificated employee of a school district, an academic employee of a community college district, or academic employee for the California State University
(2) Subject to the criteria provided in Education Code sections 44922, 87483, or 89516
(3) Must not be older than age 70
(4) Their appointment under the Reduced Workload Program is limited to a period of five years of part-time service

The employer shall maintain the necessary records to separately identify each employee receiving credit pursuant to Gov. Code section 20900.

CalPERS members and employers must complete and submit the Reduced Workload Program Eligibility and Election Certification Form (CalPERS-7021) (PDF) to CalPERS. This form can be downloaded on our website under Forms & Publications.

Refer to the Payroll Reporting section for additional requirements and instructions on how to report payroll for employees in the Reduced Workload Program.

Reduced Workload Program – Classified Employees

(Gov. Code § 20905)

Under California Government Code section 20905, you may allow eligible classified employees to participate in the Reduced Workload Program. Under this program, a member reduces their time base from full-time to part-time while continuing to earn service credit as if employed on a full-time basis.

To qualify, both you and the member must elect to contribute to CalPERS the full amount that would have been paid had the member remained employed full-time.

You, in coordination with CalPERS administrative staff, are responsible for administering the Reduced Workload Program.

To be eligible, a member must:

1. Be a classified employee of:
    a. A school employer, or
    b. A community college district; *and*
2. Meet the criteria set forth in applicable Education Code provisions

You must maintain records sufficient to separately identify each employee receiving service credit under this program.

For additional reporting requirements, refer to the Payroll Reporting section of this guide.

Optional Contract Provisions for County Schools

The following provisions are optional benefits that may be included in your agency's contract:

Optional Membership for Part-Time Employees

(Gov. Code §§ 20325 and 20305)

Under California Government Code section 20325, regular part-time employees who are excluded from CalPERS membership because they work fewer than 20 hours per week, pursuant to California Government Code section 20305, may elect to become members if your agency adopts the appropriate resolution or contract provision.

To establish this option:

- You must adopt a resolution or include the provision in your contract

- The resolution must be transmitted through the County Superintendent of Schools (if applicable) to the CalPERS Board
- The election becomes effective upon receipt by CalPERS

Employees who elect membership will:

- Be subject to the same contribution rates as other members in the same classification
- Have the option to purchase previously excluded part-time service

Note: Compulsory Social Security coverage applies to regular part-time employees regardless of whether they elect CalPERS membership.

Cost Implications

- **Employer Cost:**
  If you adopt this provision, you must pay Social Security contributions for part-time employees. If an employee elects CalPERS membership, you must also pay the applicable CalPERS employer contributions.
- **Member Cost:**
  Members who elect coverage will pay contributions consistent with their membership classification.

School Police as "School Safety Members"

(Gov. Code § 20444)

Under California Government Code section 20444, you may contract with CalPERS to reclassify employees as “school safety members” if their principal duties consist of active law enforcement. This applies to school districts and community college districts that maintain a police department pursuant to applicable Education Code provisions.

Pursuant to California Government Code section 7522.44, any change in membership classification must be applied prospectively. As a result, reclassification of school police employees from miscellaneous to safety membership is prospective only.

Adopting this provision will:

- Require your agency to participate in a safety risk pool
- Result in the application of a higher safety benefit formula than the miscellaneous formula
- Allow you to elect optional benefits available to local safety members

To initiate this process, you must complete the contracting requirements outlined in the New Pension Contracts section of this guide.

Cost Considerations

- **Employer Cost:**
  An actuarial valuation is required to determine the impact of reclassification.
- **Member Cost:**

Members will pay contributions equal to at least 50% of the normal cost.

Members who would be subject to a safety formula other than 2% at 57, 2.5% at 57, or 2.7% at 57 may elect to remain under the miscellaneous formula if they determine that reclassification will be to their disadvantage.

Two-Years Additional Service Credit (Golden Handshake)

(Gov. Code § 20904)

The County Superintendent of Schools may amend its contract to grant up to two years of additional service credit to school members if the following conditions exist:

- The member is employed in a job classification or other organizational unit designated by the County Superintendent of Schools and retires within the period designated by the County Superintendent of Schools. (This benefit cannot be provided based on employee organization or non-represented groups.) The designated period must be subsequent to the amendment date and cannot be less than 90 days nor more than 180 days in length.
- The County Superintendent of Schools must transmit an amount to the Retirement Fund that is the actuarial equivalent of the difference between the allowance the member would receive under this section and the allowance the member would receive without this section.
- The County Superintendent of Schools must certify that the retirements under this section will either: (1) result in a net savings to the district or County Superintendent of schools, or (2) result in an overall reduction in the work force of the organizational unit because of impending mandatory transfers, demotions, and layoffs that constitute at least one percent of the designated job classification, resulting from the curtailment of, or change in the manner of performing its services.

To be eligible to receive this service credit, the employees must already have at least five years of service credit. Because the member must be in employment status with the County Superintendent of Schools (office or their school district) during the designated period, the retirement date cannot be the first day of the designated period. A member cannot receive credit under this section if they receive any unemployment insurance payments during the designated period. If the retired member subsequently re-enters membership, the additional service credit is forfeited.

Employer Cost: This amendment does not affect the employer contribution rate since the cost of the benefit is payable in a lump sum or by installments. The cost of the benefit will be calculated after the expiration of the designated period and after the additional service credit has been credited to all eligible members.

If paying by installments, payment in full must be made within 30 days of the billing date to avoid interest charges. Otherwise, semi-annual installment payments, including interest charges, can be scheduled for up to five years from the billing date.

Member Cost: None.

Golden Handshake Cost Estimate Factors

The following chart may be used to estimate the cost of providing the two-year additional service credit benefit. Multiply the total annual pay rate for each person by the corresponding factor (always use the full time pay rate). The result is the approximate cost of the benefit.

School Members (2% @ 55 Formula)

Ages	Cost Factor
50–54	0.48
55–59	0.65
60–64	0.68
65–69	0.63

School Members (2% @ 62 Formula)

Ages	Cost Factor
52–54	0.35
55–59	0.45
60–64	0.55
65–69	0.60

$3,000, $4,000, or $5,000 Retired Death Benefit

(Gov. Code § 21623.6)

The lump-sum death benefit paid to beneficiaries of retired members will be $3,000, $4,000, or $5,000. This benefit would apply to deaths occurring after the effective date of the contract amendment. The actuarial valuation request must specify the selected benefit amount. The benefit must be applicable to all districts under the jurisdiction of the County Superintendent.

Employer Cost: Valuation required.

Member Cost: None.

Amendment Procedures for California Government Code Section 20904

The procedures for amending your contract to include section 20904 are as follows:

1. **Initiation of Amendment Request**
   The County Superintendent of Schools must request to amend its CalPERS contract to include section 20904. Individual school districts must work in coordination with the County Superintendent's Office to ensure accurate information is provided to CalPERS.
2. **Public Disclosure of Costs**
   Pursuant to California Government Code section 7507, you must disclose the cost of the benefit

increase at a public meeting at least two weeks prior to adopting the final resolution.

3. **Required Certifications**
   In addition to submitting a Certification of Publication of Costs, the County Superintendent must certify that:
   - Due to an impending curtailment of, or change in the manner of performing services, granting additional service credit is in the best interest of the agency; and
   - At the time section 20904 becomes operative, the resulting retirements will either:
     a) result in net savings to the district or County Superintendent of Schools; or
     b) result in an overall reduction in workforce within the organizational unit due to impending transfers, demotions, or layoffs affecting at least one percent of the designated job classification.
4. **Adoption Timeline Requirements**
   The governing body may not adopt the final resolution to amend the contract earlier than 20 days after adopting the Resolution of Intention. Upon receipt of the properly adopted Resolution of Intention and required certifications, CalPERS will provide the final contract amendment documents and instructions.
5. **Establishing the Window Period**
   After the contract has been amended to include section 20904, the County Superintendent of Schools may request a Golden Handshake packet from CalPERS to establish a designated window period.
   - You may define the applicable time period and eligible employee classifications.
   - If the resolution does not limit eligibility to a specific district or classification, all eligible employees who retire during the designated period will receive the additional service credit.
   - Because CalPERS contracts with the County Superintendent—not individual school districts—the required resolutions must be adopted by the County Superintendent's governing body.
   - You may establish multiple window periods; however, the periods must not overlap.
6. **Cost Settlement**
   After the expiration of each designated period, the County Superintendent will be notified of the actual cost associated with the additional service credit granted to eligible members.
   - You may remit full payment within 30 days to avoid interest charges; or
   - You may elect to pay semi-annual installment payments, including interest, for up to five years from the invoice date.

Membership

CalPERS Membership Eligibility

If a person is currently a member of CalPERS (i.e., has contributions/service credit on account that have not been refunded), they cannot be excluded from membership due to their time base (e.g., working less than 20 hours per week) or appointment length (e.g., 90 days). They do not need to re-qualify for membership. This applies even if their membership was established through employment with another

CalPERS-covered employer, or if they are not currently working (i.e., are on inactive status) with a CalPERS-covered employer.

If a member has retirement contributions/service credit on deposit with CalPERS, or if they have met the criteria for membership (e.g., have completed 1,000 hours of service in a fiscal year) but their appointment has not been keyed into myCalPERS, they are, by law, a member of CalPERS, even if payroll has not yet been reported to CalPERS.

Once membership has been established, the member remains a member until they refund their member contributions after permanently separating from all CalPERS-covered employment, or they retire.

You can determine whether an employee is currently a member of CalPERS by:

- Using the **Person Search** function in myCalPERS, or
- Contacting the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377)

When Not to Report

A CalPERS member should not continue to be reported in membership when the member:

- Enters a position excluded by law (other than due to time base/appointment length), or by an agency's contract.
- Enters a position eligible for optional membership and has not yet elected membership. To be a member in such a position, they must submit an Election of Optional Membership – Elective Officer (myCalPERS 0841) (PDF) form, regardless of their prior membership status. Refer to the Optional Members of CalPERS section for more information.
- Enters a position also in membership with another public retirement system. For applicable exceptions, refer to the Positions Excluded by Retirement Law From CalPERS Coverage section.
- Is subject to an Alternate Retirement Plan (ARP) under Government (Gov.) Code section 20306. Refer to the Alternate Retirement Plan (ARP) section for more information.
- Is legally working after retirement. The laws and reporting responsibilities for post-retirement employment are different from the laws for membership. Refer to the Post-Retirement Employment section for more information.

Immediate Membership Upon Hire

Per Gov. Code sections 20281 and 20305, employees who must be enrolled in CalPERS membership on the date of hire are:

- Already a CalPERS member, unless working in a position excluded by law or contract exclusion
- Hired to work full time for more than six months
- Working regular, part-time service consisting of at least an average of 20 hours a week for one year or longer

Employees Who Must Be Monitored

Full-Time Employees

Public Agency Employers

Full-time employment is defined by the employer based on operational needs, with a minimum of 34 hours per week and no maximum cap on weekly hours. Employers must document their definition of full-time employment in a compliant Written Labor Policy (WLP) or Publicly Available Pay Schedule (PAPS). Compensation for all regularly scheduled hours, including those exceeding traditional full-time schedules, must be reported to CalPERS as base pay, provided these hours are part of the employee's normal work schedule and meet the employer's definition of full-time employment. Hours worked beyond the regularly scheduled hours are defined as overtime and cannot be reported to CalPERS, in accordance with Gov. Code section 20635. California Code of Regulations (CCR) section 574 clarifies full-time employment for public agencies as: "… for purposes of determining CalPERS membership eligibility, reporting overtime positions, and determining compensation earnable and pensionable compensation, "full-time" employment means a minimum of 34 hours per calendar week, or a minimum of 67 hours bi-weekly, 72 hours semimonthly, 133 hours quadri-weekly, or 144 hours monthly."

School Employers

Gov. Code section 20636.1 states for all non-certificated (classified) school members, full-time employment is considered 40 hours per week. This means all hours up to 40 per week must be reported to CalPERS for classified school members at the straight time rate. Hours worked beyond 40 hours per week are defined as overtime and cannot be reported to CalPERS, in accordance with Gov. Code section 20635.1. CCR section 574 clarifies full-time employment for classified school members as: "For purposes of determining CalPERS membership eligibility, reporting overtime positions, and determining compensation earnable and pensionable compensation for classified members, "full-time" employment means 40 hours per week; payments for services rendered, not to exceed 40 hours per week, shall be reported as compensation earnable or pensionable compensation for all months of the year in which work is performed."

Less Than Full-Time Employees

You must monitor the number of hours your irregular-basis employees work in a fiscal year (July 1 – June 30).

Irregular-basis employees (i.e., seasonal, limited-term, on call, emergency, intermittent, or another irregular basis) are excluded from membership unless their employment is compensated, and they meet one of the following conditions:

- Work 1,000 hours in a fiscal year, or
- Work 125 days in a fiscal year, if paid on a per diem basis

In such cases, membership becomes effective **no later than** the first day of the first pay period of the month following the month of the completion of 1,000 hours or 125 days in a fiscal year. Employment in which the employee is compensated for time excused from work (e.g., vacation, sick leave, etc.) is included in the computation of the 1,000 hours or 125 days.

When monitoring an employee for the 1,000-hour threshold, **all hours** the employee is compensated for must be counted towards membership qualifications, even if the compensation would not be reportable to CalPERS if the employee were a member (e.g., compensation for overtime hours). In addition, hours subject to mandatory furloughs must be monitored for membership (refer to the Furlough Legislation section on the following page).

For example, if an employee were called in to work four hours on July 4, which is a paid eight-hour holiday for the employee, the employee would have 12 hours counted toward their membership qualification.

However, if this example is applied to an active CalPERS member, the four hours would be considered overtime and not reportable to CalPERS.

Notice of Exclusion From CalPERS Membership

For employees who are not eligible for CalPERS membership, complete and sign the Notice of Exclusion from CalPERS Membership Public Agency and School (CalPERS-6997) (PDF) form. Provide a copy to the employee to inform them of the exclusion reason and retain the original in their personnel file. Ensure the form is readily accessible in case CalPERS requests it.

Membership Qualification When Working More Than One Position

Employees can meet CalPERS membership qualification by working in more than one position under the same employer. Employment in all positions with an employer (including both safety and miscellaneous positions) must be considered when determining membership qualification. For example, an employee working in a permanent 10-hour a week position, and a permanent 12-hour a week position with the same employer, would qualify for membership immediately, by combining the hours of both positions to meet the 20-hour a week minimum.

All employees of a school district, with the sole exception of school safety members, are considered employees of the County Superintendent of Schools, and thus of the same employer for CalPERS purposes (Gov. Code section 20610). Employment with different districts (including charter schools) within the same County Superintendent of Schools should be added together for purposes of meeting the membership qualifications.

Employment with different CalPERS-covered agencies, such as state and public agencies, is not combined for membership qualification purposes.

A school district/County Office of Education that contracts separately for school safety members, or participates in a risk pool, is a separate public agency by law; therefore, such employment would be kept separately when determining membership qualification.

Furlough Legislation — School Employers

Legislation passed in 2010 added Gov. Code section 20969.2 to the PERL. This legislation ensures certain persons subject to mandatory furloughs will not have their CalPERS retirement benefits negatively impacted due to the furlough.

Membership Eligibility and Furloughs

The work hours of employees who do not have a fixed term of appointment and who work on a seasonal, limited term, on call, emergency, intermittent, substitute, irregular, or other part-time basis as outlined in Gov. Code section 20305(3), must be monitored to determine the point at which, if employment would have been credited (but for the mandatory furlough), the employee would have qualified for membership in CalPERS. The hours an employee would have worked had they not been subject to mandatory furloughs should be counted toward qualification for CalPERS membership.

Summary of General Principles for Membership Eligibility

Follow these general principles to determine when and if an employee is eligible for membership (if not excluded by agency's contract or law).

1. Employees who are already members of CalPERS with funds on deposit, regardless of time base (Gov. Code section 20305(a)(1)).
2. Employees entering membership upon appointment to a position with one of the following conditions:
    a. The appointment/employment fixes a term of full-time, continuous employment exceeding six months.
    b. The position requires regular, part-time service for at least an average of 20 hours per week (or its equivalent) for one year or longer.
3. Employees must otherwise be monitored to determine when and if they qualify for membership. Qualification for membership is reached when:
    a. No term (length) of appointment is specified in the appointment/employment, but full-time employment exceeds six months.
    b. The employee works 125 days in a fiscal year if paid on a per diem basis (i.e., per day). For this purpose, a day means each eight hours of compensated employment (e.g., a firefighter working a 24-hour shift is working three days per shift).
    c. The employee works 1,000 hours in a fiscal year. Any overtime hours worked are counted towards the 1,000 hours.

In such cases, membership becomes effective **no later than** the first day of the next pay period after the sixth month of full-time employment, or completion of 1,000 hours or 125 days in a fiscal year.

When monitoring an employee for the 1,000-hour threshold, **all hours** the employee is compensated for count toward membership qualification, including overtime hours and hours subject to mandatory furloughs.

Membership Eligibility – Counting Hours Toward the 1,000-Hour Threshold

Hours included:

- Regular hours
- Overtime hours (straight time amount)
- Paid holidays

- Used sick leave or other used leave credits (e.g., annual leave, CTO (certified time off), etc.)
- Used vacation
- Any hours the employee would have worked if not subject to a furlough

Hours not included:

- Unused leave credits (e.g., accruing eight hours of sick leave but not using it)
- Vacation payouts (some agencies pay out unused vacation annually — these hours can't be applied)

For example, if an employee were called in to work four hours on July 4, which is a paid eight-hour holiday for the employee, the employee would have 12 hours counted towards their membership qualification.

However, if this example is applied to an active CalPERS member, the four hours would be considered overtime and not reportable to CalPERS.

Public Employees' Pension Reform Act (PEPRA) of 2013 — Definition of a New Member

As defined by PEPRA, a new member includes:

- A member who joined CalPERS prior to January 1, 2013, who, on or after January 1, 2013, is hired by a different CalPERS employer following a break in service of more than six months.
    - All State of California departments, including California State Universities, 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.
- A new hire who joined CalPERS for the first time on or after January 1, 2013, and **who has no prior membership** in another California public retirement system.
- A new hire who joins CalPERS for the first time on or after January 1, 2013, and who was a member of another California public retirement system prior to that date, but **who is not subject to reciprocity** upon joining CalPERS.

All members who don't fall into the definitions above are considered classic members. Classic members will retain the existing benefit enrollment levels for future service with the same employer.

PEPRA does not require retroactive reductions to benefits earned for prior service, even where a member separates from service and is later rehired as a new member by a new employer and becomes subject to the applicable PEPRA formula. In these cases, the member's classic member service will be calculated separately from their service as a new member.

Reciprocal Self-Certification Form (CalPERS-2593)

You are required to obtain and retain the Reciprocal Self-Certification Form (CalPERS-2593) (PDF) for members enrolled on or after January 1, 2013. Members provide essential information regarding their membership with qualifying reciprocal retirement systems used to enroll them in CalPERS membership. CalPERS will utilize this information to determine the member's retirement enrollment level. Refer to the Processing the Reciprocal Self-Certification Form in myCalPERS section for instructions.

This form must be provided to all members enrolled on or after January 1, 2013, including members who have prior CalPERS membership. It is important this form is processed correctly for every new appointment in CalPERS as the benefit enrollment level is determined for every new appointment. We strongly recommend employers utilize the most recent version of the form available on our website to ensure the appropriate details are requested from the member.

The member has 10 business days from the date they receive the form to complete and return it to your agency's personnel office. If the form is not returned to you, you must follow up with the member. When you receive the completed form, each required section should be thoroughly reviewed to ensure:

- All sections and applicable questions were completed
- Full dates were provided where appropriate (including month, day, and year)
- On Section 2 of the form, CalPERS membership information was not included. CalPERS data should not be entered in the **Reciprocal Self-Certification Form Information** panel of the appointment, as this data is already stored in myCalPERS.

If the form is incomplete or completed incorrectly, you are required to return the form to the member and they must complete and submit a new form. If the member requires assistance with completing the form, direct them to our website or to contact us at **888 CalPERS** (or **888**-225-7377) for assistance.

It is not your responsibility to ensure the accuracy of the self-certified data or make reciprocal determinations. We encourage you to collect substantiating information from members regarding their reciprocal membership to ensure you can support them in completing the form properly. If the substantiating information does not match the self-certified data on the form, you can advise the member they need to complete a new form and ensure they are providing information that has been validated with the reciprocal system.

The form should not be sent to CalPERS unless a member indicates they are a member of multiple qualifying reciprocal retirement systems, have multiple membership periods, or are a member of one of the retirement systems listed below:

- California Administrative Services Authority
- City of Concord Retirement System
- City of Costa Mesa Retirement System
- City of Oakland Retirement System
- City of Pasadena Fire and Police Retirement Board
- City of Sacramento Employees' Retirement Board
- City of San Clemente Employees' Retirement Plan
- East Bay Regional Park District Sworn Safety Employees' Retirement Plan

If applicable, email the form to the CalPERS Member Elections Team at Member_Election_Team@calpers.ca.gov or fax to (916) 795-2287 for further review and processing.

The original form must be retained in the member's employment records for auditing purposes.

Processing the Reciprocal Self-Certification Form in myCalPERS

When entering the member's appointment in myCalPERS, you **must** utilize the self-certified data provided on the completed form to enter the information in the **Reciprocal Self-Certification Form Information** panel for the new appointment. The information on the form must be entered for every new appointment created, even if you believe it will not impact their enrollment level or they are not eligible for reciprocity.

If the member indicated in Section 1 of the form they do not have membership in a qualifying reciprocal retirement system, select **No** under the Reciprocal Member Indicator in the Reciprocal Self-Certification Form Information panel and save the appointment.

If the member indicated they were a member of a qualifying reciprocal retirement system in Section 1, select **Yes** under the Reciprocal Member Indicator and follow the steps below to complete the data fields in the **Reciprocal Self-Certification Form Information** panel in myCalPERS:

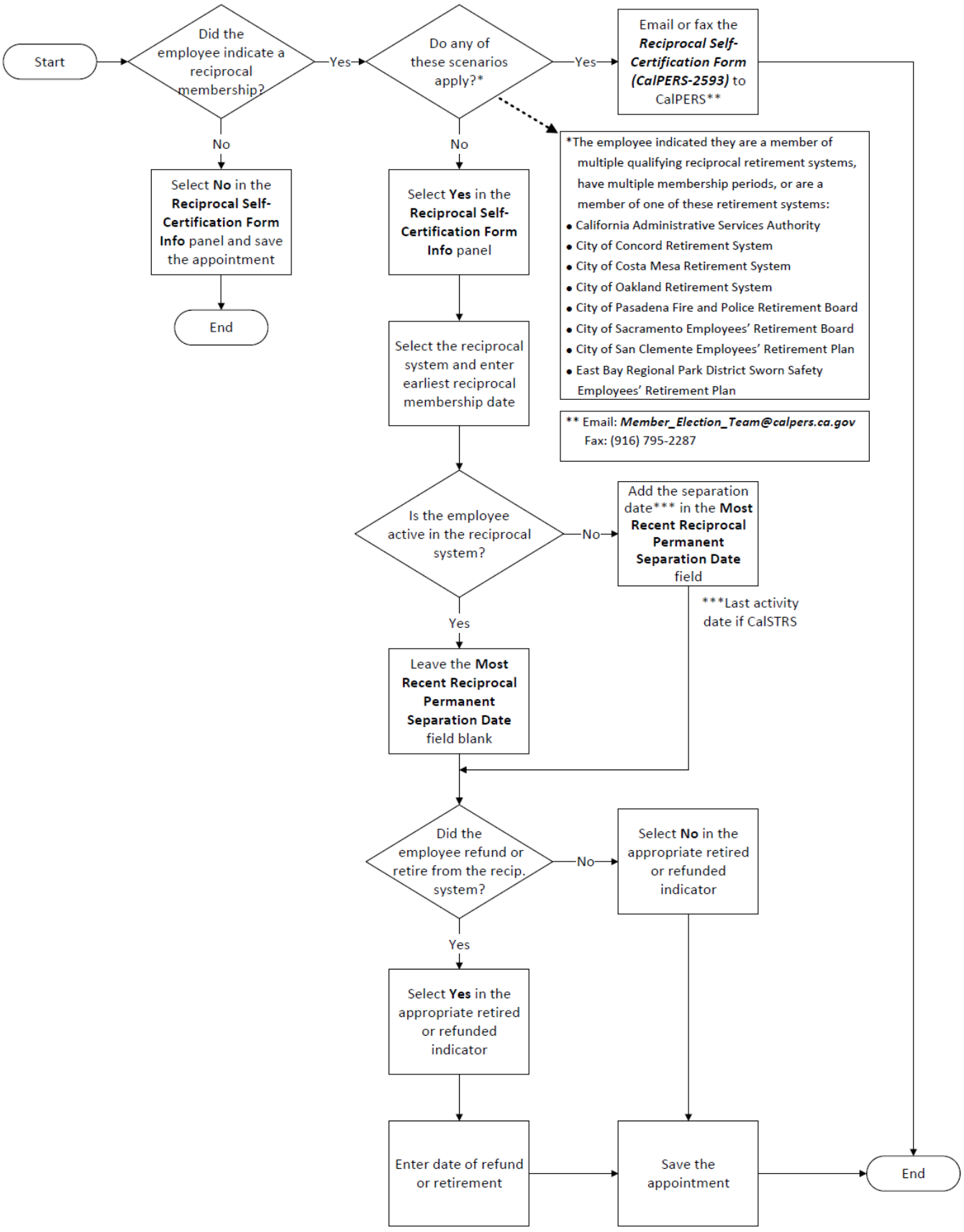
1. Enter the information the member provided exactly as the member self-certified.
2. From the drop-down list, select the reciprocal system the member provided in Section 2 and enter the reciprocal system membership date provided by the member into the **Earliest Qualifying Reciprocal Membership Date** field.
3. If the member indicated they are active with the reciprocal system in Section 2, leave the **Most Recent Permanent Separation Date** field blank in myCalPERS. If the member indicated they are not active with the reciprocal system and provided a separation or last activity date, enter the date in the **Most Recent Reciprocal Permanent Separation Date** field.
4. If the member indicated they did not retire from the reciprocal system, select **No** under the Retired Reciprocal Member Indicator in myCalPERS. If the member indicated they did retire from the reciprocal system, select **Yes**. This will open an additional field, **Reciprocal Retirement Date**, where you must input the date of retirement provided in Section 2.
5. If the member indicated they did not refund from the reciprocal system, select **No** under the Refunded Reciprocal Member Indicator. If the member indicated they did receive a refund from the reciprocal system, select **Yes**. This will open an additional field, **Reciprocal Refund Date**, where you must input the date of refund provided in Section 2.

Processing the Reciprocal Self-Certification Form Flowchart

Provide the form to all members enrolled on or after January 1, 2013. When the member returns it, review it for completion and retain the original in the member's employment records.

Note: Do not send the form to CalPERS.

Process the form in myCalPERS as follows:


Start
Did the employee indicate a reciprocal membership?
Yes
No
Do any of these scenarios apply?*
Yes
No
Email or fax the ***Reciprocal Self-Certification Form (CalPERS-2593)*** to CalPERS**
*The employee indicated they are a member of multiple qualifying reciprocal retirement systems, have multiple membership periods, or are a member of one of these retirement systems:
• California Administrative Services Authority
• City of Concord Retirement System
• City of Costa Mesa Retirement System
• City of Oakland Retirement System
• City of Pasadena Fire and Police Retirement Board
• City of Sacramento Employees' Retirement Board
• City of San Clemente Employees' Retirement Plan
• East Bay Regional Park District Sworn Safety Employees' Retirement Plan
** Email: ***Member_Election_Team@calpers.ca.gov***
Fax: (916) 795-2287
Select **No** in the **Reciprocal Self-Certification Form Info** panel and save the appointment
End
Select **Yes** in the **Reciprocal Self-Certification Form Info** panel
Select the reciprocal system and enter earliest reciprocal membership date
Is the employee active in the reciprocal system?
No
Add the separation date*** in the **Most Recent Reciprocal Permanent Separation Date** field
***Last activity date if CalSTRS
Yes
Leave the **Most Recent Reciprocal Permanent Separation Date** field blank
Did the employee refund or retire from the recip. system?
No
Select **No** in the appropriate retired or refunded indicator
Yes
Select **Yes** in the appropriate retired or refunded indicator
Enter date of refund or retirement
Save the appointment
End

Once the member's self-certified information is saved in myCalPERS, myCalPERS will automatically assign the appropriate retirement benefit formula. If you believe the retirement benefit formula is incorrect, email Membership_Reporting@calpers.ca.gov or call **888 CalPERS** (or **888**-225-7377).

The purpose of the Reciprocal Self-Certification Form (CalPERS-2593) (PDF) is to determine the member's retirement enrollment level based on their reciprocal membership. The form does not establish reciprocity or initiate a request to establish reciprocity. The member does not need to be approved for reciprocity for the information self-certified on this form to be processed. Ensure you are providing this form to members timely upon enrollment and using the member self-certified data to enroll them into CalPERS membership correctly.

It is important to ensure you enter the member's self-certified information exactly as provided for myCalPERS to accurately determine the member's retirement enrollment level. Failure to process the form correctly or enter information precisely in myCalPERS may cause the member's account to reflect an incorrect retirement enrollment level that can have many impacts to their account, including ineligible retirement benefit formulas and adverse effects on how their retirement benefit is calculated. It will also cause delays in CalPERS processing timeframes. These impacts may lead to adjustments to payroll contributions that your agency and the member will be responsible for. Therefore, it is important to ensure proper and timely processing of the member's reciprocal self-certification for myCalPERS to make an accurate enrollment determination.

These instructions cover frequently encountered issues and inquiries. If you have a situation or question not covered here, contact us at **888 CalPERS** (or **888**-225-7377) for further assistance.

Assembly Bill 1222 — California Transit Employees

Assembly Bill (AB) 1222 (Chapter 527, Statutes 2013) exempts California transit employees of public employers from all provisions of PEPRA, until January 1, 2015, or until a court determines the provisions of PEPRA did not violate specified federal transit labor laws.

On December 30, 2014, the United States District Court – Eastern District determined the provisions of PEPRA did not violate federal transit labor laws. As a result, all transit employees with appointments starting on or after January 1, 2013, through December 29, 2014, retain their classic retirement benefit formula for this period of time. Effective December 30, 2014, these members are placed in the PEPRA retirement benefit formula. Refer to Circular Letter 200-006-15 (PDF) for more information.

Failure to Timely Enroll an Employee

It is your agency's responsibility to determine if your employees are eligible for CalPERS membership. Gov. Code section 20283 requires any employer that fails to enroll an employee into membership within 90 days of eligibility to pay all the arrears contributions (both employer and member) and a $500 administrative cost per member. Any costs assessed due to untimely enrollment shall not be passed on to an employee.

Arrears Explained

Arrears costs are the member contributions due for a member's earnings that have not been previously reported. Payment of arrears is mandatory. An account can be in arrears because either an employer failed to enroll the employee into membership or failed to report earnings and contributions for employment rendered.

There are two types of arrears:

- Employer-paid arrears (Gov. Code section 20283)
- Member-paid arrears (Gov. Code section 20160)

Employer-paid arrears can apply if any portion of the arrears period began prior to, and continued after, July 1, 1994; or the arrears period is after July 1, 1994. Arrears cases determined under Gov. Code section 20283 state the employer is responsible for the member **and** employer contributions for the entire arrears period.

Member-paid arrears apply if a member qualified for membership and the entire arrears period is prior to July 1, 1994. In member-paid arrears cases, the member is responsible for the member contributions, and the employer is responsible for the employer contributions for the entire arrears period.

Member-paid arrears may apply to a period on or after July 1, 1994, when it is determined that Gov. Code section 20283 employer-paid arrears does not apply. In certain cases, an employer may be instructed not to submit payroll information through myCalPERS to resolve unreported contribution issues.

When an arrears review is required, CalPERS will send your agency a Request for Employment Information (myCalPERS 2783) letter. Your agency is required to complete the employment certification in myCalPERS within 30 days. For instructions on completing the employment certification, refer to the myCalPERS Employment Certification Functionality (PDF, 1.78 MB) student guide. In instances when the appointment is keyed 90 or more days late, myCalPERS will automatically generate an employer-paid arrears determination. In this instance, payroll will need to be reported as a prior period adjustment to attach to the arrears determination.

Employer Billing for Arrears

For any arrears due, your agency will be invoiced through myCalPERS and notified based on the preferred communication method noted in myCalPERS. You are required to pay CalPERS directly by electronic funds transfer (EFT), debit, or credit methods in myCalPERS.

The myCalPERS Arrears Receivable Summary Report, available in myCalPERS, provides details regarding the member and balance amount of the arrears.

Note: The administrative cost is **not** a fee or penalty to the agency – rather, it is a reimbursement to CalPERS for costs associated with the process of administrating Gov. Code section 20283.

You are expected to be knowledgeable of all areas covered in this guide, Circular Letters, and other standard CalPERS publications. If you encounter an unusual situation not addressed in any of these

forums, contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377) in advance for advice, so we can review the facts and advise you appropriately.

Alternate Retirement Plan (ARP) Gov. Code Section 20306 Optional Contract Benefit

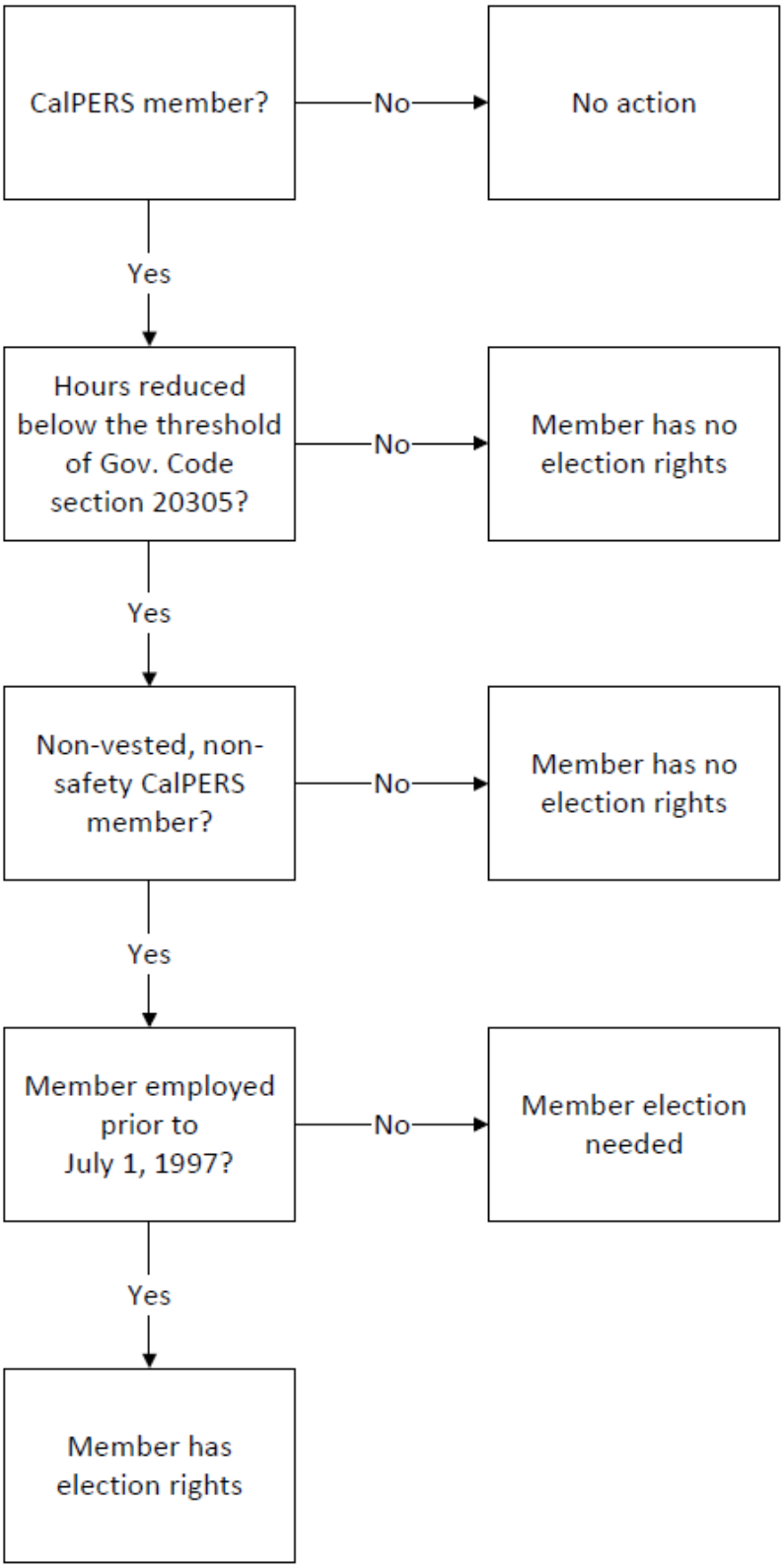
Gov. Code section 20306 provides that public agencies and school districts that have an ARP established as a pension trust (Article 1.5 [commencing with section 53212] of Chapter 2 of Part 1 of Division 1 of Title 5 prior to July 1, 1997) must conduct an election among their non-safety members who are credited with less than five years of CalPERS service. This election is to determine whether they want to retain their usual active CalPERS membership or participate in ARP if their time base drops below the minimum membership thresholds (e.g., 20 hours per week) specified in Gov. Code section 20305.

Employees entering employment after the original ARP election are mandated into ARP coverage if they work less than the Gov. Code section 20305 threshold and have less than five years of service credit. You will determine new employees' ARP status (based on any election they made, their qualification status, and whether they have five years of service), as follows:

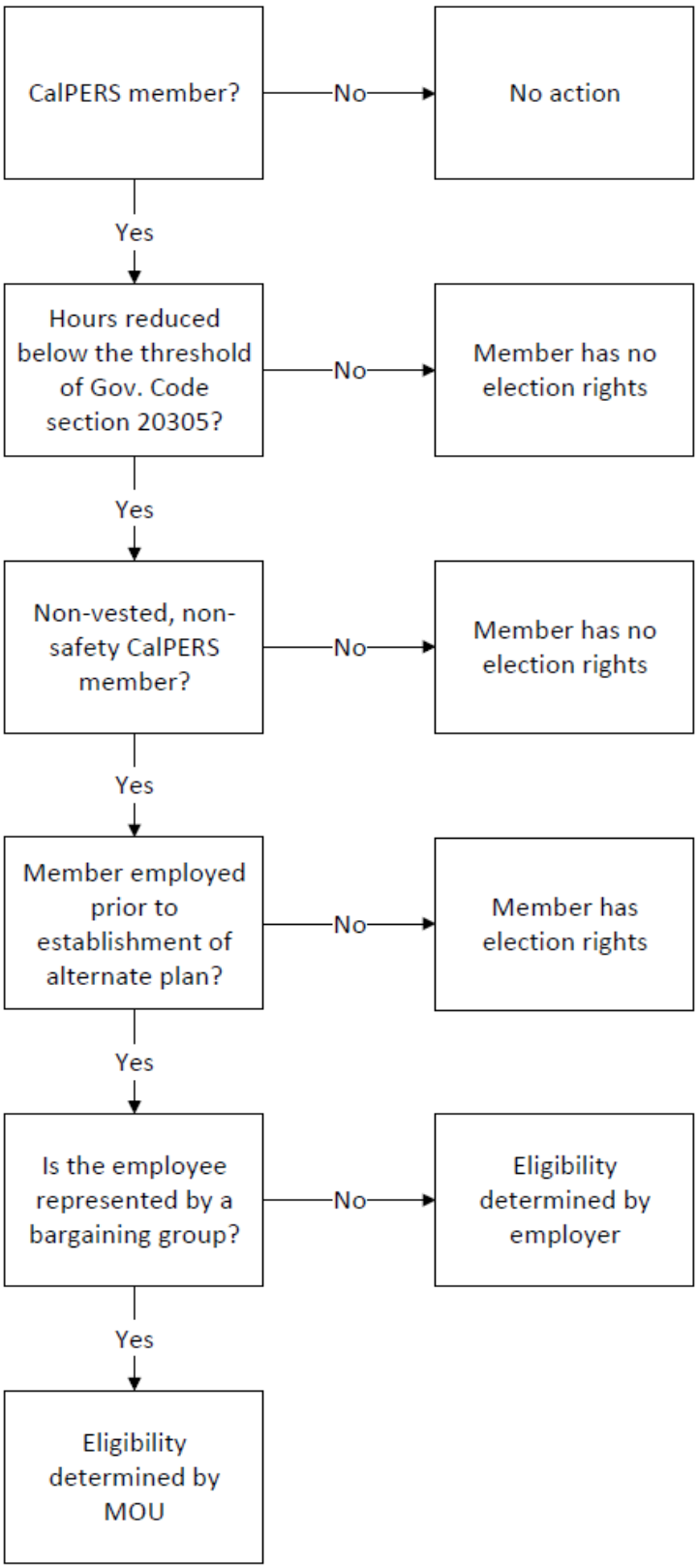
- For employees subject to collective bargaining, their Memorandum of Understanding (MOU) will determine their eligibility to participate in ARP or CalPERS.
- For employees not represented by a bargaining group, the public agency shall determine the employees' eligibility to participate either in ARP or CalPERS if their time base falls below CalPERS membership thresholds.

Refer to the Eligibility to Participate in the CalPERS flowcharts on the following pages for more information or contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

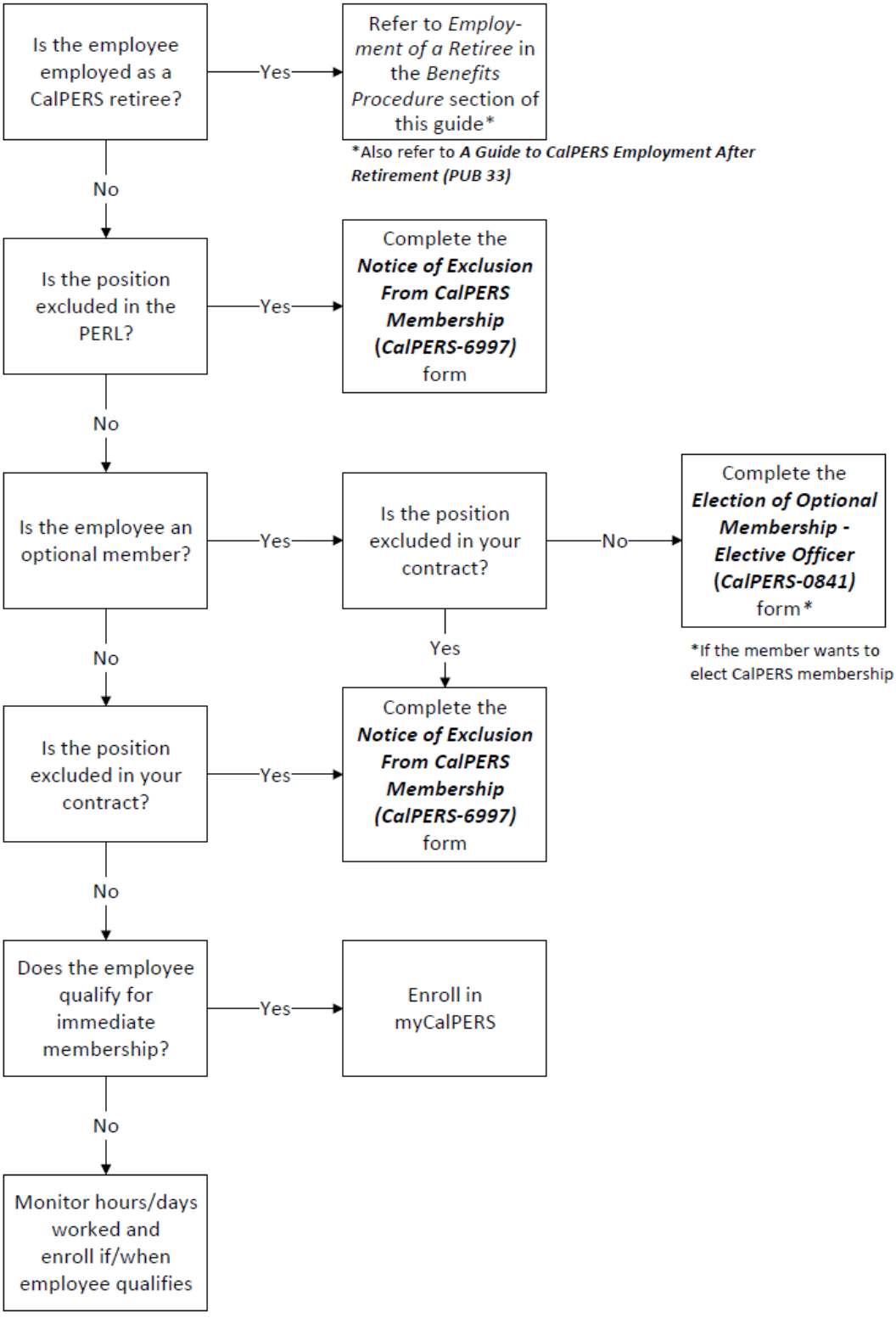
Eligibility to Participate in CalPERS – ARP Election, Employed Prior to July 1, 1997



Eligibility to Participate in CalPERS – ARP Election, Employed After July 1, 1997



Determining Membership Eligibility



Appointment Overview

An appointment is a continuous block of employment with a single employer from the hire date, regardless of whether the employee qualifies for membership on that date, until the permanent separation date. For schools, each district is treated as an employer, and an employee should not have more than one appointment under this condition, unless that employee has multiple jobs across school districts. Changes between districts are considered permanent separations, or new appointments, rather than appointment changes.

When an appointment is entered into myCalPERS, an appointment ID is generated by myCalPERS. The appointment ID is a conditional data element for payroll reporting.

New Appointments Required

A new appointment should be created when:

- A new employee is hired and qualifies for membership
- An employee who previously did not qualify for membership now qualifies for membership
- An employee who was permanently separated from the employer is rehired and meets membership eligibility criteria
- An employee transfers from one school district to another, within the same County Office of Education, and between County Offices of Education
- A CalPERS retiree begins working, or returns to work for your agency, as a retired annuitant. A new retired annuitant appointment must be created.
- An employee changes membership classifications (e.g., miscellaneous to safety)
- A retiree/retired annuitant reinstates from retirement

Multiple appointments may be established for one employee, for example:

- An employee with an existing appointment decides to take a second job in another school district and will maintain both jobs concurrently (i.e., a new appointment is required for the second job).
- An employee works concurrently in multiple member categories (e.g., miscellaneous and safety) during the same pay period.
- An employee working in multiple positions during the same pay period can have multiple appointments established by those positions, though it is not required.
- An employee with an existing appointment decides to take a second job with the same employer and will maintain both jobs concurrently.

New Appointments Not Required

A new appointment is not required when an employee:

- Returns from a leave of absence: Report as an appointment change using the End Leave transaction type.

- Reinstates to a former position by a court action (i.e., will be managed internally by CalPERS and cannot be reported by the employer): CalPERS will delete the permanent separation if the employee did not refund their member contributions.
- Reduces their time base, resulting in changing to local ARP: Report using the To Local ARP transaction type.
- Changes member category: Report as an appointment change.
- Changes jobs: If the change impacts benefits, it should be reported as an appointment change.

Appointment Changes Not Required

An appointment change is not required when:

- There is a pay increase or decrease. This action is reported in the payroll file.
- A job change occurs that does not impact benefits.

Reporting Leaves of Absence

Employers must report all leaves of absence in myCalPERS. This includes when the member is receiving CalPERS reportable compensation, such as vacation or sick leave while on a leave of absence (LOA).

It is important to enter accurate begin and end dates for an LOA, if the leave is later extended, you must update the end date. LOA begin and end dates must be different. This ensures the leave record in myCalPERS accurately reflects the member's actual leave duration. Before reporting a new LOA, make sure any previous leaves have been updated with an end date. Members should not have overlapping leave periods.

If you receive an error when attempting to report an LOA, or receive a payroll reporting error, contact us for assistance.

Appointments with Health Benefits

Employers should report the LOA and offer employees the option to elect direct pay or cancel their health coverage. Once members return from leave, they must be re-enrolled as an active member.

Some employers continue to pay for health benefits while employees are on an LOA. In these cases, the employee should still be enrolled in direct pay, and the employee can submit the premium bill to the employer for, payment to the health plan directly or reimbursement to the employee.

While there are no set days or hours a member needs to work to maintain health benefits, if the member works enough to cover the health premium for the month, they can remain enrolled.

Permanent Separation Dates in myCalPERS

In myCalPERS, the permanent separation date is part of a series of system validations; therefore, the permanent separation date must be reported as the day **after the last day a member works for your organization**, which is often the day after the last day on payroll.

Note: Members must separate from all CalPERS-covered employment prior to retirement, even if the appointment has been determined to be overtime (non-contributory).

The permanent separation date will frequently be the same day as a member's retirement date or start date of a new appointment. It is imperative your agency follows this important business rule to avoid transaction errors due to automatic system validations.

A permanent separation date must also be reported for all employees who end employment with your organization, regardless of the reason. This is required in myCalPERS to ensure benefits are administered timely and accurately, especially for members nearing retirement. All transactions within myCalPERS, including health and retirement, rely on the permanent separation date to be reported in this manner.

Reporting Appointment Changes

An appointment change must be reported when an employee permanently separates from the employer, including:

- Termination with the possibility of appeal
- Transferring from one school district to another school district (even within the same County Office of Education)

Reporting Permanent Separation Not Required

A permanent separation is not required when an employee begins an LOA, but you must update myCalPERS with a begin leave date. Upon the member's return from the LOA, you must update myCalPERS with an end leave date.

Note: If an employee does not return from an LOA, update myCalPERS with a permanent separation.

Members may purchase certain service credit, such as temporary disability leave of absence. Begin and end leaves must be reported in the member’s myCalPERS appointment profile for CalPERS to process the member’s request to purchase their eligible LOA.

Member myCalPERS Accounts

myCalPERS provides members access to their real-time account information. Members have access to the information submitted on their behalf by their employers, including appointments, payroll, and service credit information.

It is critical to stay current with information reported to CalPERS on behalf of your employees. Accuracy and promptness will alleviate future concerns or questions members may have with their CalPERS account and the information provided by your agency.

You are expected to be knowledgeable of all areas covered in this guide, Circular Letters, and other standard CalPERS publications. If you encounter an unusual situation not addressed in these resources, contact us at **888 CalPERS** (or **888**-225-7377).

Membership Categories

All CalPERS members employed by your agency will fall into one of the following categories:

- Local Safety

    - This includes all local police officers, local sheriffs, firefighters, safety officers, county peace officers ..., employed by a contracting agency who have by contract been included within this system (Gov. Code section 20420).
- Local Miscellaneous
    - This includes all employees of a County Office of Education, school district, or community college district who are included in a risk pool, and all employees of a contracting agency who have by contract been included within this system, except local safety members (Gov. Code section 20383).
- School Members
    - This includes all employees within the jurisdiction of a school employer, other than local policemen, school safety members, and members included in a risk pool (Gov. Code section 20370(d)).
- School Safety Members
    - This includes any officer or employee of a school district or a community college district that has established a police department ... whose principal duties consist of active law enforcement service (Gov. Code section 20444). This only applies to a school district or community college district that entered into a contract with the board on or after January 1, 1990.

For most employers, all or majority of their employees will be in the local miscellaneous or school member categories rather than a safety category.

Determination of an employee's membership category is based on the employee's job classification and duties, compared to the standards defined in the Gov. Code, and as provided in the agency's contract with CalPERS.

The Gov. Code provisions for the most common safety positions (e.g., police officer, firefighter, deputy sheriff, etc.) are all mandatory for contracting agencies whose contract includes such positions. There are many other provisions an agency may choose to contract to provide safety membership to other employees, as well as to reclassify previous service with the same duties/job title in such classes. All contract activity can be reviewed in myCalPERS, including reclassification information.

Apart from the optional contract provisions to reclassify miscellaneous employees to the safety category, it is not permissible to report employees in a safety category whose job duties do not support such membership. Refer to the definitions for local safety members on the following pages for the criteria for such membership.

Safety membership most commonly requires service having principal duties of providing either active law enforcement or active firefighting services. Such persons are known as safety members because they are engaged in protecting the public safety and may be exposed to physical risk during employment. CalPERS relies upon an opinion of the Attorney General to define what is meant by the term active for safety service:

> "It is suggested that active law enforcement work means 'physically active' work such as the arrest and detention of criminals ... (T)he main reference is to duties which expose officers and employees to physical risk in the law enforcement field ..."(22 Ops. Cal. Atty. Gen. 229).

Another important criterion in many of the sections defining safety membership is that a person be employed and qualifying as patrol officers, employed and qualifying as patrolmen, employed and qualifying as firefighters, or employed and qualifying as deputy sheriffs, irrespective of their current duties. Typically, such persons are referred to as sworn personnel because they take an oath to uphold the constitution, safeguard the lives and property of citizens, etc. This sworn criterion is particularly important for persons who are promoted up through the ranks to supervisory/managerial positions (e.g., sergeant, captain, chief, etc.), but who retain their sworn status after promotion.

Almost all agencies with safety classifications have established procedures in place (e.g., certification and/or academy training, physical fitness requirements, etc.) by which persons originally qualify as patrol officers, firefighters, or deputy sheriffs, and have standards (e.g., periodic physical fitness tests) which must be met to maintain such status. Such sworn personnel in supervisory or managerial positions who remain employed and qualifying as patrol officers, firefighters, or deputy sheriffs could (in special circumstances such as a major emergency or a work stoppage) be required to return to typical safety duties; accordingly, the safety status of such an individual is appropriate, even though the person's current duties may not frequently involve such active law enforcement/firefighting duties.

However, if a person gives up such qualifying/sworn status after accepting a promotion and is no longer qualifying as such, safety membership can no longer be earned for this service.

Note: There are no provisions in the law allowing a member or employer to pay the difference in contributions between miscellaneous and safety membership to allow a miscellaneous member to be reported to CalPERS as a safety member.

Exceptions

There are some instances where persons have been given mandatory safety membership only if employed during a specific period of time. For example, legislation passed in 1987 (AB 839, Chapter 1411) brought certain miscellaneous members employed in positions such as fire investigators, fire prevention officers, or fire trainers between January 1, 1988, and October 2, 1989, into safety membership as local firefighters. In such exceptional situations, it is possible to have some persons in the same job classification who are safety and some who are not if they were hired at separate times.

Cautions

There have been cases where a member was inappropriately retained in safety membership after receiving an appointment to a non-safety position (City Manager or Director of Public Safety). Even if such a member was formerly in safety membership (e.g., police chief or fire chief), safety membership cannot be earned where the job duties do not support this status and the individual is no longer a sworn member of a police department, fire department, etc.

Inappropriate membership classification is one of the key factors investigated by CalPERS' field auditors. Corrective actions will be taken upon discovery of such inappropriate classifications. Such retroactive corrective actions may include correction of service credit, retirement contributions paid, and adjustment of retirement allowance paid, if any. Any new safety positions should be submitted to CalPERS for approval of the proper membership category for a given position. For a determination, mail the job description/duty statement to:

CalPERS
Employer Account Management Division
Membership Services
P.O. Box 942709
Sacramento, CA 94229-2709

Reviews should also be requested upon establishing a new position or upon making significant changes in the duties of a previously reviewed position.

Mandatory Safety Status

The following definitions for local safety members will assist you in determining the membership category.

Local Police Officer

Any officer or employee of a police department of a contracting agency which is a city, except one whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise and whose functions do not clearly fall within the scope of active law enforcement service even though the employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement service, but not excepting persons employed and qualifying as patrolmen or equal or higher rank irrespective of the duties to which they are assigned (Gov. Code section 20425).

Local Firefighter

Any officer or employee of a fire department of a contracting agency, except one whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise, and whose functions do not clearly fall within the scope of active firefighting, or active firefighting and prevention service, active firefighting and fire training, active firefighting and hazardous materials, active firefighting and fire or arson investigation, or active firefighting and emergency medical services, even though that employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active firefighting, or active firefighting and prevention service, active firefighting and fire training, active firefighting and hazardous materials, active firefighting and fire or arson investigation, or active firefighting and emergency medical services, but not excepting persons employed and qualifying as firefighters or equal or higher rank, irrespective of the duties to which they are assigned (Gov. Code section 20433).

County Peace Officer

Sheriff and Sheriff's Officer

The sheriff and any officer or employee of a sheriff's office of a contracting agency, except one whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise, and whose functions do not clearly come within the scope of active law enforcement service even though

the employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement service, but not excepting persons employed and qualifying as deputy sheriffs or equal or higher rank irrespective of the duties to which they are assigned (Gov. Code section 20436).

District Attorney's Office

Inspector, Investigator, or Detective

Any inspector, investigator, detective, or person with a comparable title, in any district attorney's office of a contracting agency whose principal duties are to investigate crime and criminal cases and who receives compensation for such service (Gov. Code section 20436).

Other Local Safety

Ocean Beach Lifeguard

Local safety member also includes all employees of a city who have by contract been included within this system, and whose principal duties consist of active protection, rescue, and rendition of aid or assistance to persons injured or imperiled in water areas at ocean beaches and the recovery from those water areas of submerged objects and bodies of persons drowned or believed to have drowned in those areas, or the immediate supervision thereof, including persons employed to perform the duties now performed under the titles of aquatics director, chief lifeguard, captain lifeguard, lieutenant lifeguard, beach lifeguard, but who performs additional duties, some of which (including the maintenance of peace and order and the apprehension of law violators) are customarily performed by police or peace officers, and whose other duties (such as resuscitation work involving the use of special equipment in cases having no connection with their principal duties) that in other areas are customarily performed by firefighters, and other and further duties that do not come directly within any of the above classifications, but are essential to the safety and security of the public, excluding those whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise clearly do not fall within the scope of active life guarding or lifesaving service, even though the person is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active life guarding or lifesaving service.

This section does not apply to the employees of any contracting agency having a contract with the board made prior to September 18, 1959, unless the agency elects to subject itself and its employees to the provisions of this section by amendment to its contract with the board pursuant to Gov. Code section 20474. An election is required only among the employees to whom the provisions of this section apply.

The amendments of this section, made by Chapter 130 of the Statutes of 1982, do not constitute a substantive change in the law and shall not be construed to entitle any person to any right or benefit they were not already entitled to prior to December 31, 1982.

Note: This provision is mandatory for all contracting agencies with CalPERS contract dates of September 18, 1959, or later. It is an optional contract provision for contracting agencies with CalPERS contract dates prior to September 18, 1959. Refer to the Other Local Safety listing in this section (Gov. Code section 20421) for more information.

Local Safety Officer

Any officer or employee of a public safety department of a contracting agency, except one whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise, and whose functions do not clearly fall within the scope of active law enforcement or firefighting and prevention service even though the employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement or firefighting and prevention service, but not excepting persons employed and qualifying as patrol officers or equal or higher rank, or as firefighters, hose officers, or equal or higher rank, irrespective of the duties to which they are assigned.

Does not include persons employed to perform identification or communication duties. This provision shall not apply to persons employed and qualified as patrol officers or equal or higher rank, or as firefighters, hose officers, or equal or higher rank (Gov. Code section 20424).

Other Safety Classifications — Provided by Optional Contract Provisions

The following classifications can be added to your safety categories by amending your agency's contract. If your agency has contracted for these other safety classifications, they will be listed on your contract activity page in myCalPERS.

It should be noted that many of these optional sections do not contain the employed and qualifying language that is used to give police officers, firefighters, sheriff's deputies, etc., safety status when they promote into the supervisory/managerial ranks. Therefore, persons must be performing the specified duties to qualify for safety coverage under such sections.

Reclassification

A member who is employed in a position that is reclassified from local miscellaneous to local safety (other than under the 2% at 50, 3% at 50, or 3% at 55 retirement formulas) may make an irrevocable election in writing to remain subject to the miscellaneous service retirement benefit formula by filing a notice of that election with CalPERS within 90 days after notification by CalPERS (Gov. Code section 20443).

Local Police Officer

Juvenile Bureau Officer

If provided for by your agency's contract, local police officer includes any officer or employee of a juvenile bureau of a contracting agency whose principal duties consist of active law enforcement service, except persons whose principal duties are clerical or otherwise clearly do not fall within the scope of active law enforcement, even though the person is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement (Gov. Code section 20427).

Peace Officer Under Penal Code — Not with City or County

If provided for by your agency's contract, local police officer also includes any officer or employee of a contracting agency other than a city or a county who is a peace officer as defined in the Penal Code and whose principal duties consist of active law enforcement but excluding clerical personnel or those whose principal duties are that of communication officer, identification officer, machinist, mechanic, security officer or are otherwise not clearly within the scope of active law enforcement, even though the person is

subject to occasional call, or is occasionally called upon to perform duties within the scope of active law enforcement (Gov. Code section 20429).

City Jailers

If provided for by your agency's contract, a local police officer also includes any employee of a contracting agency that is a city, who is employed in a jail or a detention or correctional facility and has as their primary duty and responsibility the supervision and custody of persons committed to the jail or facility. It shall not include persons employed as clerks, typists, teachers, instructors, or psychologists, or to provide food, maintenance, health, or supporting services, even though responsibility for custody and control of persons so committed may be incident to, or relating to, that service (Gov. Code section 20431).

Local Sheriff

If provided for by your agency's contract, local sheriff means any officer or employee of a sheriff's office of a contracting agency, except one whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise, and whose functions do not clearly come within the scope of active law enforcement service even though the employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement service, but not excepting persons employed and qualifying as deputy sheriffs or equal or higher rank irrespective of the duties to which they are assigned (Gov. Code section 20432).

Contracting for this section allows agencies to provide a different level of retirement benefits (e.g., retirement formula) to local sheriff officers than to county peace officers.

County Peace Officer - Constable or Marshal

If provided by your agency's contract, county peace officers shall also include the constable and each regularly employed deputy constable and the marshal and each regularly employed deputy marshal who serves the superior court. They shall receive credit for service as a peace officer for any time they served as constable or deputy constable of a township or justice court or marshal or deputy marshal of a municipal court in the same county (Gov. Code section 20437).

Identification and/or Communication Duties

If provided by your agency's contract, county peace officer does not include persons employed to perform identification or communication duties other than persons in that employment on August 4, 1972, who elected within 90 days thereafter to be local safety members. A contracting agency may elect by amendment to its contract to include as county peace officer all persons who were employed to perform identification or communication duties on August 4, 1972, and who elect within 60 days of the effective date of the contract amendment to be local safety members. The election shall apply to the person's past as well as future service in the employment held on the effective date but may not apply to service following any subsequent acceptance of appointment to a position other than that held on the effective date. This subdivision does not apply to persons employed and qualified as deputy sheriffs or equal or higher rank (Gov. Code section 20436).

Probation Officer, Juvenile Hall Custody

If provided by your agency's contract, county peace officer shall also include probation officers, deputy and assistant probation officers, and persons employed in a juvenile hall or home and having as their primary duty and responsibility the counseling, supervision, and custody of a group of youths assigned or committed to the hall or home. It shall also include persons employed as peace officers pursuant to section 830.5 of the Penal Code, regardless of the administrative title of the position. It shall not include persons employed as teachers, instructors, psychologists, or to provide food, maintenance, health, or other supporting services, even though responsibility for custody and control of youths may be incident to or relating to that service (Gov. Code section 20438).

County Jail — Custodial Employees

If provided by your agency's contract, county peace officer shall also include employees of the sheriff employed in a county jail, detention, or correctional facility and having as their primary duty and responsibility the supervision and custody of persons committed to the jail or facility, whether or not these employees are deputized. It shall not include persons employed as clerks, typists, teachers, instructors, psychologists, or to provide food, maintenance, health, or supporting services, even though responsibility for custody and control of persons so committed may be incident to, or relating to, that service or the employees are deputized (Gov. Code section 20439).

Bailiffs

If provided for by your agency's contract, county peace officer shall also include employees of the sheriff employed to attend sessions of the superior or former municipal courts and preserve order in the courtrooms, to guard and maintain the security of prisoners during court appearances, or to summon jurors and take responsibility for them while they are deliberating or absent from the courtroom. It shall not include persons employed as clerks, typists, teachers, instructors, or psychologists (Gov. Code section 20440).

County Park Rangers

If provided for by your agency's contract, county peace officer shall also include persons employed by a county parks and recreation department whose primary responsibility is maintaining the peace and whose duties include law enforcement, emergency medical care first response, or fire suppression and prevention in the park ranger class series (Gov. Code section 20441).

Other Local Safety

Note: This provision is mandatory for all contracting agencies with CalPERS contract dates of September 18, 1959, or later. It is an optional contract provision for contracting agencies with CalPERS contract dates prior to September 18, 1959.

Lifeguards

If provided for by your agency's contract, local safety member also includes all employees of a city who have by contract been included and whose principal duties consist of active protection, rescue, and rendition of aid or assistance to persons injured or imperiled in water areas at ocean beaches and the recovery from those water areas of submerged objects and bodies of persons drowned or believed to have

drowned in those areas, or the immediate supervision thereof, including persons employed to perform the duties now performed under the titles of aquatics director, chief lifeguard, captain lifeguard, lieutenant lifeguard, beach lifeguard, but who performs additional duties, some of which (including the maintenance of peace and order and the apprehension of law violators) are customarily performed by police or peace officers, and whose other duties (such as resuscitation work involving the use of special equipment in cases having no connection with their principal duties) that in other areas are customarily performed by firefighters, and other and further duties that do not come directly within any of the above classifications but are essential to the safety and security of the public, excluding those whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise clearly do not fall within the scope of active lifeguarding or lifesaving service, even though the person is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active lifeguarding or lifesaving service (Gov. Code section 20421).

Emergency Medical Technician/Paramedic

If provided for by your agency's contract, local safety member also includes all employees of a public agency whose principal duties consist of rendering pre-hospital emergency medical care to ill or injured persons and who are employees designated as Emergency Medical Technician–I, Emergency Medical Technician–II, or Emergency Medical Technician–Paramedic, as defined by, respectively, sections 1797.80, 1797.82, and 1797.84 of the Health and Safety Code (Gov. Code section 20422).

Harbor or Port Police Officer

If provided for by your agency's contract, local safety member also includes any harbor or port police officer, employed by a contracting agency, who is a peace officer as defined in subdivision (b) of section 830.33 of the Penal Code and whose principal duties consist of active law enforcement of the laws contained in Chapter 5 (commencing with section 650) of Division 3 of the Harbors and Navigation Code, the rules and regulations of the California Department of Boating and Waterways, and Chapter 2 (commencing with section 9850) of Division 3.5 of the Vehicle Code (Gov. Code section 20423).

Park Rangers

If provided for by your agency's contract, local safety member also includes any park ranger employed by a contracting agency who is a peace officer as defined in subdivision (b) of section 830.31 of the Penal Code and whose primary responsibility is maintaining the peace and whose duties include law enforcement, emergency medical care first response, or fire suppression and prevention (Gov. Code section 20423.5).

Local Prosecutors, Public Defenders, and Public Defender Investigators

For these categories, the member's effective date of retirement must be on or after the date the category becomes applicable to the member's contracting agency.

Local Prosecutors

Gov. Code section 20423.6 covers the following groups of employees:

1. A county officer or employee who, on or after January 1, 2002:
    a. Was employed in the office of the district attorney

b. Had a job title/classification of district attorney, deputy district attorney, chief deputy district attorney, senior deputy district attorney, assistant district attorney, chief assistant district attorney, senior assistant district attorney, or any other similar classification or title

2. A county officer or employee who:
    a. Was employed in the office of a district attorney prior to the date the local child support agency transitioned from the district attorney to a new county department, as specified in section 17304 of the Family Code
    b. Had a job title/classification of district attorney, deputy district attorney, chief deputy district attorney, senior deputy district attorney, assistant district attorney, chief assistant district attorney, senior assistant district attorney, or any other similar classification or title
    c. On or after January 1, 2002, was an attorney in a local child support agency, as defined in subdivision (h) of section 17000 of the Family Code, with no break in service between employment by a district attorney and the local child support agency
3. A city officer or employee who, on or after January 1, 2002:
    a. Was employed in the office of the city attorney
    b. Was primarily engaged in the active enforcement of criminal laws within any court operating in a county
    c. Had a job title/classification of city attorney, deputy city attorney, chief deputy city attorney, assistant city attorney, chief assistant city attorney, or any other similar classification or title

Local Public Defender

- A city or county officer or employee who, on or after January 1, 2002:
    - Was employed in the office of the public defender, the alternate public defender, or any similar office title
    - Had a job title/classification of public defender, deputy public defender, chief deputy public defender, senior deputy public defender, assistant public defender, chief assistant public defender, senior assistant public defender, or any other similar classification or title

Local Public Defender Investigator

- A city or county officer or employee who, on or after January 1, 2002:
    - Was employed in the office of the public defender, the alternate public defender, or any other similar office title
    - Had a job title/classification of inspector, investigator, detective, or any other similar classification or title
    - Had principal duties of investigating crime and criminal cases

School Local Police Officer

Any officer or employee of a school district or a community college district that has established a police department pursuant to section 39670 or 72330 of the Education Code, whose principal duties consist of active law enforcement service, except persons whose principal duties are clerical or otherwise clearly do not fall within the scope of active law enforcement, even though the person is subject to occasional call, or

is occasionally called upon, to perform duties within the scope of active law enforcement. This section shall only apply to any school district or community college district that prior to June 30, 1982, had amended its contract to provide membership for local police officers (Gov. Code section 20430).

School Safety Member

If provided for by your agency's contract, school safety member includes any officer or employee of a school district or a community college district which has established a police department pursuant to section 39670 or 72330 of the Education Code, whose principal duties consist of active law enforcement service, except persons whose principal duties are clerical or otherwise clearly do not fall within the scope of active law enforcement, even though the person is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement. This section shall only apply to a school district or a community college district that, pursuant to subdivision (i) of Gov. Code section 20057, entered into a contract with the board on or after January 1, 1990 (Gov. Code section 20444).

Local Firefighter

If provided for by your agency's contract, local firefighter also means any officer or employee of a fire department of a contracting agency, except one whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise and whose functions do not clearly fall within the scope of active firefighting, fire prevention, fire training, hazardous materials, emergency medical services, or fire or arson investigation service, even though that employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active firefighting, fire prevention, fire training, hazardous materials, emergency medical services, or fire or arson investigation service, but not excepting persons employed and qualifying as firefighters or equal or higher rank, irrespective of the duties to which they are assigned (Gov. Code section 20434).

Hazardous Materials Services

If provided for by your agency's contract, local firefighter also means any officer or employee of a fire department of a contracting agency, except one whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise, and whose functions do not clearly fall within the scope of hazardous materials services, even though that employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of hazardous materials services, but not excepting persons employed and qualifying as firefighters or equal or higher rank, irrespective of the duties to which they are assigned (Gov. Code section 20434.5).

Fire Training Function — Contracting Agency

If provided for by your agency's contract, local firefighter means any officer or employee of a contracting agency performing a fire training function for a contracting agency, except one whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise, and whose functions do not clearly fall within the scope of active firefighting, fire prevention, fire training, or fire investigation service even though that employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active firefighting, fire prevention, fire training, or fire

investigation service, but not excepting persons employed and qualifying as firefighters or equal or higher rank, irrespective of the duties to which they are assigned (Gov. Code section 20435).

House of Representatives (H.R.) 743 — Social Security Protection Act of 2004

On March 2, 2004, President Bush signed H.R. 743, the Social Security Protection Act of 2004, into law. Section 419(c) of H.R. 743 provides that any individual entering employment on or after January 1, 2005, in a position not subject to Social Security, be provided a written notice explaining the maximum effect not being subject to Social Security may have on the calculation of the primary insurance amounts and on the benefit amounts of monthly periodic payments or benefits.

The notice has been developed by the Social Security Administration (SSA) in language calculated to be understood by the average individual. The written notice provided is to include a form for the individuals to complete and sign certifying receipt of the notice. Once completed and signed, the notification is to be submitted to the agency and to the retirement system that the employing entity provides for its employees. H.R. 743 is silent as to any reason for the certifications being submitted to the retirement systems, how long the certifications must be retained, or any retrieval capability requirements. The SSA provides the notification, certification form, and instructions to public employers through the SSA website. Questions should be directed to your local Social Security office or to the SSA website. CalPERS will provide any additional information on this topic as it becomes available.

To ensure you receive this information and updates or notices on other topics important to California public employers, subscribe to our newsletters and alerts on our Email Subscriptions webpage. Our Employer Bulletins, CalPERS News, agenda alerts, and bi-monthly newsletter come to your email inbox to keep you connected to CalPERS.

To subscribe to these services, visit our Email Subscriptions page or contact our CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

Determining Retirement Benefits

When determining retirement benefits for a new member, the following are common items that may impact which benefits the employee shall receive.

- CalPERS membership date
- Effective date of contract amendment(s)
- Retirement benefit formula
- Final compensation
- Member and/or employer rate
- Cost-of-living adjustment (COLA)

Gov. Code section 20475(b) indicates a member shall be subject to the contract as amended only if, after the effective date of the contract amendment, the member either:

1. Receives service credit for the first time within a classification; or

2. Returns to employment in a classification following termination of membership as provided for in Gov. Code section 20340(b)

The member shall not be subject to the contract amendment under Gov. Code section 20475(b) if the member, in accordance with Gov. Code section 20750:

- Has redeposited contributions; or
- Requests or elects to redeposit contributions prior to 90 days after returning to service

Note: The employer or member is responsible for submitting a request to CalPERS to obtain the cost calculation to redeposit the previously withdrawn contributions. It is the duty of the employer to notify the member of this requirement.

Scenario 1 – Classic Member

An employee was hired on January 1, 2009, in the first level of benefits. On May 1, 2011, the employer added a second level of benefits for the same member category, changing the final compensation from 12 to 36 months. On January 1, 2012, the employee separated and withdrew their member contributions from CalPERS. On June 1, 2012, the employer rehired the employee.

Result: Since the employee did not redeposit their contributions within 90 days of rehire, you are required to enroll the employee into the second level of benefits with the 36-month final compensation period.

Scenario 2 – Classic Member

An employee was hired by employer one on January 1, 2009, in the first level of benefits. On January 1, 2010, the employee separated from employer one and withdrew their contributions from CalPERS. On May 1, 2011, the employee was hired by employer two and qualified for membership. However, on July 1, 2011, the employee separated from employer two but left their contributions on deposit. On July 2, 2011, the employee was rehired by employer one. While the employee was not working for employer one, a second level of benefits was added for the same member category, changing the retirement benefit formula from 2.7% at age 55 to 2% at age 55, effective September 1, 2010.

Result: Since the employee did not redeposit their withdrawn contributions from employer one within 90 days of rehire, employer one is required to enroll the employee into the second level of benefits with a benefit formula of 2% at age 55.

Scenario 3 – Classic Member

An employee was hired on January 1, 2009, in the first level of benefits. On May 1, 2011, the employer added a second level of benefits for the same member category, changing the final compensation from 12 to 36 months. On January 1, 2012, the employee separated and withdrew their member contributions from CalPERS. On June 1, 2012, the employer rehired the employee, and they redeposited their withdrawn contributions within 90 days.

Result: Since the employee redeposited their contributions within 90 days of rehire, they should be enrolled into the first level of benefits with a final compensation period of one year

Scenario 4 – Classic Member

An employee was hired part time on January 1, 2011. They did not qualify for immediate membership and had to be monitored. On May 1, 2011, the employer added a second level of benefits, changing COLA from 3% to 2%. On January 1, 2012, the employee qualified for membership.

Result: Since the employee qualified for membership after the addition of a second level of benefits, the employer is required to enroll the employee into the second level with a COLA of 2% and a membership date of January 1, 2012.

Scenario 5 – New Member

An employee was hired on January 1, 2012, and separated from the employer on March 31, 2012. The employee is subsequently hired by a different CalPERS-covered employer on February 1, 2013, after PEPRA took effect on January 1, 2013.

Result: Since the employee had a break in service greater than six months between the separation date with the previous employer and the appointment date with the subsequent employer, the employee would be considered a new member.

Scenario 6 – Classic Member

An employee was hired on January 1, 2012, and separated from the employer on November 30, 2012. The employee is subsequently hired by a different CalPERS-covered employer on March 1, 2013, after PEPRA took effect on January 1, 2013.

Result: Since the employee had a break in service of less than six months between the separation date with the previous employer and the appointment date with the subsequent employer, the employee would be considered a classic member.

Scenario 7 – Classic Member

An employee was hired on October 1, 2012, and separated from the employer on March 31, 2013. The employee is subsequently hired by the same CalPERS-covered employer on December 1, 2013, after PEPRA took effect on January 1, 2013.

Result: Since the employee had a break in service of more than six months between the separation date, but returned to the same employer, they are considered a classic member.

Scenario 8 – Refunded Classic Member

A member separated from a public agency as a classic member on March 1, 2010, and withdrew their member contributions from CalPERS. On April 1, 2019, the member was rehired by the same employer and qualified for CalPERS membership.

Result: The member would return to employment as a classic member since the member is returning to the same employer, and they were previously eligible for classic membership. However, they may be subject to a different formula. Refer to Scenario 1 for more information.

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.

Scenario 9 – Retired Classic Member

A state employee retired on August 1, 2012, and reinstated from retirement effective March 1, 2013, to a public agency.

Result: The member would be enrolled as a PEPRA new member and subject to the PEPRA retirement benefit formula for the new enrollment since the member retired and reinstated to a different employer with a break in service greater than six months.

Scenario 10 – Retired Classic Member

A member retired from a public agency as a classic member on November 1, 2012, and reinstated from retirement on June 1, 2013, to the same employer.

Result: The member would return to employment as a classic member and be entitled to the same retirement benefit formula that applied while the member was in active status since the member is returning to the same employer.

Scenario 11 – Retired Classic Member

A member retired from a public agency as a classic member on June 1, 2012, and reinstated from retirement on March 1, 2013, to a different employer.

Result: The member would be a PEPRA new member and subject to the PEPRA retirement benefit formula for the new enrollment since the member retired and is reinstating to a different employer with a break in service greater than six months.

Scenario 12 – Retired Classic Member

A member retired from a public agency as a classic member on February 1, 2013, and reinstated on September 1, 2013, to the same employer.

Result: The member would return to employment as a classic member and be entitled to the same retirement benefit formula that applied while the member was in active status since the member is returning to the same employer.

Scenario 13 – Retired Classic Member

A member retired from a public agency as a classic member on March 1, 2013, and reinstated on October 1, 2013, to a different employer.

Result: The member would be considered a new member and subject to the PEPRA new member retirement benefit formula for the new enrollment since the member is reinstating to a different employer with a break in service greater than six months

Note: Upon re-retirement, a member's prior service remains at the same retirement benefit formula that was applied at the time of the member's initial retirement.

To learn more about reinstatement from retirement, refer to the Reinstatement From Retirement section.

Persons Excluded by Retirement Law From CalPERS Membership

Members of Other Retirement Systems

Persons receiving service credit in another public retirement system (federal, state, county, city, other local agency, or California State Teachers' Retirement System) are excluded from receiving service credit with CalPERS for the same employment under Gov. Code section 20303.

Note: Persons can have dual membership in two or more public retirement systems if it is for different employment.

Persons Who Are Not Employees of a CalPERS-Covered Agency

Only compensated employees of agencies contracting with CalPERS for retirement coverage are eligible for CalPERS membership. CalPERS uses the common law control test as a guide to determine whether an individual is an employee, as well as which entity (if more than one) is purportedly employing a worker.

Note: CalPERS may also defer to other appropriate authorities.

The Supreme Court decision in the case of *Metropolitan Water District of Southern California v. Superior Court of Los Angeles* (32 Cal. 4th 491) may be referenced for additional guidance in this area. The court concluded that the law "requires contracting public agencies to enroll in CalPERS all common law employees except those excluded under a specific statutory or contractual provision." Also, "the PERL contains no broad exclusion for... [employees] hired through private labor agencies or suppliers." This decision also cited the *Tieberg v. Unemployment Ins. App. Bd. Case* (2 Cal.3rd 949), which stated, "The right to control the means by which the work is accomplished is clearly the most significant test of the employment relationship."

Independent Contractors

Independent contractors are not employees and are excluded from CalPERS membership by Gov. Code section 20300(b). An independent contractor is someone who contracts to provide a service or complete a task according to their own methods and is not subject to the contracting entity's control as to the end product, final result of work, or manner and means by which the work is performed.

CalPERS uses the common law control test as a guide to determine independent contractor status. The common law control test factors are enunciated in the case of *Albert B. Tieberg v. Unemployment Insurance Board (1970)* 2 Cal.3d 943, 949. These factors are also cited in the CalPERS Precedential Decision No. 05-01 (PDF), In the Matter of the Application for CalPERS Membership Credit by Lee Neidengard, Respondent and Tri-Counties Association for the Developmentally Disabled, Respondent.

In determining whether a worker performs services as an employee (including common law employee) or as an independent contractor, the most important factor is the right of the employer to control the manner and means of job performance and accomplishing the desired result. If an employer has the authority to exercise control over the worker, regardless of whether that right is exercised, an employer-

employee relationship exists. This factor applies equally to a worker hired through any third-party employer or labor supplier, including the worker's own consultant firm or business entity.

A contract employee (i.e., a common law employee who periodically signs an employment contract) is eligible for CalPERS membership if otherwise qualified.

Note: CalPERS commonly corresponds with agencies (e.g., sends a questionnaire to be completed by both the worker and the contracting entity) to determine whether a worker is an employee of a CalPERS-covered agency, an employee of a non-CalPERS agency, or is an independent contractor. It is important that such questions be answered authoritatively by an appropriate certifying officer at your agency since you may be liable for arrears costs (if membership is determined to be applied retroactively) if the worker is found to be an employee of your agency.

For further clarification of independent contractors or contract employees, contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

Elected or Appointed Officers

Gov. Code sections 20320–20325 exclude certain public officers and employees from membership unless an election is filed with CalPERS to waive the exclusion and establish membership.

Those persons eligible for optional membership rights are predominately, but not limited to, elected and appointed officers of public agencies, schools, and the State of California. Refer to the Optional Members of CalPERS section for more complete information to determine who is excluded but eligible under optional member provisions.

Student Assistants/Aides

A student in public school who is also employed in the same district in which they are a student and whose student status is a prerequisite for employment is excluded from CalPERS membership by Gov. Code section 20300(c).

Temporary Teacher — Assistant Certificate

Persons employed as teacher-assistants under Ed. Code section 44926 (who possess a temporary certificate to serve as a teacher-assistant and are enrolled in a California teacher training institution) are excluded from CalPERS membership by Gov. Code section 20300(d).

Professional Legal Services to a City

Persons rendering professional legal services to a city are excluded under Gov. Code section 20300(h) except for persons in one of the following offices/positions:

- The office of city attorney
- The office of assistant city attorney
- An established position of deputy city attorney

However, a city attorney, assistant city attorney, or deputy city attorney may also be eligible for the optional member provisions of Gov. Code section 20322. Refer to the Optional Members of CalPERS section for further information.

Inmates of Public Agency Institutions (i.e., Prison/Penitentiary or Mental Hospital)

Such persons are excluded from CalPERS membership by Gov. Code section 20300(a) even if receiving compensation for services they perform.

Board Members of the State Compensation Insurance Fund

Board members of the State Compensation Insurance Fund, including those appointed by the governor, are excluded from electing CalPERS membership under Gov. Code section 20300(m).

Additional Exclusions

Contract Exclusions – Public Agencies Only

Gov. Code section 20502 gives CalPERS authority to grant to contracting agencies exclusions from CalPERS coverage at the time of the initial contract with CalPERS. Such exclusions may not be made for individual employees (e.g., city manager, fire chief, etc.) but must be for groups of employees in categories such as by departments or duties (e.g., lifeguards, crossing guards, federally funded non-civil service employees, etc.).

Any current exclusions in your agency's CalPERS contract can be found on your contract activity page in myCalPERS.

CalPERS Board Resolution MSD-97-01 (PDF) provides the criteria used to review and approve/deny requested contract exclusions. As a general guideline, the exclusion of groups of employees who are career employees, or could reasonably be anticipated to become career employees, is not permitted.

Such exclusions, when granted, are effective only with respect to future entrants into such a group; persons employed in this group prior to the exclusion are not affected by the addition of such exclusion, even if they have not yet qualified for CalPERS membership.

Effective January 1, 2021, public agencies cannot amend their contract to add new exclusions. Public agencies can amend their contract to enumerate or clarify provisions related to groups of employees in a manner that does not expand those already subject to exclusion.

Invalid/Superseded Contract Exclusions

There are some agencies with contract exclusions which were granted prior to January 1, 1975, where the basis for the exclusion was the temporary or seasonal employment base of the employees. Such exclusions have been superseded by Gov. Code section 20305. Therefore, such exclusions no longer apply with respect to employees entering such employment after January 1, 1975.

Gov. Code section 20305(b) states, "this section shall supersede any contract provision excluding persons in any temporary or seasonal employment basis and shall apply only to persons entering employment on or after January 1, 1975. Except as provided in Section 20502, no contract or contract amendment entered into after January 1, 1981, shall contain any provision excluding persons on an irregular employment basis."

Employees not excluded by contract must still meet the normal criteria for membership in CalPERS.

Optional Members of CalPERS

Gov. Codes provide optional membership rights for certain public officers and employees. Those eligible optional members are excluded from membership unless a signed election for membership is filed with CalPERS.

Note: Changes in legislation have made optional member eligibility determinations more complex. This section provides basic information based on employer type and/or optional position category to assist in making those determinations. If you have any questions concerning optional membership eligibility or rights, contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

Once membership has been elected, an optional member may request to purchase service credit for prior optional member service. Refer to A Guide to Your CalPERS Service Credit Purchase Options (PUB 12) (PDF, 1.5 MB) for more information.

When an optional member purchases service credit for prior optional member employment, it will not change their membership date.

Optional Member Enrollment Eligibility Date

Optional member enrollment eligibility dates are determined in one of two ways:

- Beginning January 1, 2022, optional members shall be enrolled effective the date the optional member qualifies for CalPERS membership, which may be the effective date of the term/appointment, provided the election is received by CalPERS within 90 days of the applicable date.
- If the election of optional membership is not received by CalPERS within 90 days of the date the participant qualified for membership, the enrollment eligibility date will be the first day of the month in which the election is received by CalPERS.

  Example:

  If a city council member is elected into office and their term begins January 1, 2022, they have until April 1, 2022 (90-day period) to submit the Election of Optional Membership – Elective Officer (myCalPERS 0841) (PDF) and for CalPERS to receive the election to retain the enrollment eligibility date of January 1, 2022. In this example, if the election is received by CalPERS on June 15, 2022, the enrollment eligibility date for this appointment will be June 1, 2022, because the election was received outside the 90-day period.

General Principles

- To be eligible for membership, the optional member position must receive compensation compliant with the Public Employees' Retirement Law (PERL), as well as meet the qualifications for membership under Gov. Code 20305. Refer to the CalPERS Membership Eligibility section for more information.

- Once membership is elected and established, optional members are generally subject to the same CalPERS laws and regulations that apply to compulsory members, except for some specific provisions set forth by law.
- Electing optional membership is irrevocable. There is no Gov. Code provision allowing for the cancellation of membership prior to separation from the elected/appointed position.
- A separate election form must be submitted to CalPERS for each optional membership position/appointment/term, even if the position(s) are with the same employer.
- Elected or appointed officials occupying a fixed term of office are required to complete an election of optional membership for **each** term served.
- For members of a city council or county board of supervisors first elected or appointed on or after July 1, 1994, (unless continuously in employment since June 30, 1994), final compensation at retirement will be based **only** on salaries earned in such office (Gov. Code section 20039). Optional members listed in the following sections receive full-time service credit and are deemed full time for CalPERS retirement purposes (Gov. Code section 20899).

Note: Such full-time status may result in an overtime situation if the member has any other concurrent CalPERS-covered positions. If a member is requesting additional information regarding these situations, advise them to email the CalPERS Member Elections Team at Member_Election_Team@calpers.ca.gov for further information prior to electing optional membership.

Optional Members – Public Agencies and Schools

Defined by Gov. Code section 20322, these include the following groups:

Elective Officers

Elected officers are persons elected by the vote of the people (e.g., mayor, city council members, county supervisors, sheriff, district attorney, city clerk, etc.). This also includes persons who are appointed to fill the unexpired office of an elective officer (e.g., a person appointed by a city council to fill the remainder of a term for a member who resigns or dies in office).

Note: County Board of Education members are considered, for CalPERS purposes, as employees of the county, rather than employees of the County Superintendent of Schools, even if the board is fiscally independent of the county. Therefore, the county must contract for CalPERS coverage for such persons to be eligible, unless it provided Gov. Code section 20361.2 prior to its repeal effective July 1, 1994.

Appointive Officers of a City or County

Persons who are appointed to a fixed term of office with a city or county are included in the definition of elective officer by Gov. Code section 20322(b). Such officers are listed in Gov. Code sections such as 24000, 36501, etc.

City Attorney

Persons holding this office, provided they are common law employees, are eligible for optional membership in certain conditions:

- Prior to March 4, 1972, an elected city attorney was an optional member. An appointed city attorney was not, but was subject to compulsory membership if meeting the normal time base/appointment-length qualifications for membership.
- From March 4, 1972, through June 30, 1994, all city attorneys were defined as elective officers and thus optional members, whether or not they were elected to office.
- After July 1, 1994, all city attorneys are excluded from the definition of elective officer. Thus, even if they are elected to office, they are no longer considered elective officers or optional members for CalPERS purposes. Consequently, they must now meet the qualifications for membership under Gov. Code section 20305. In addition, city attorneys must take an oath prescribed by the constitution before entering the office. Failure to take and file the constitutional oath of office results in a vacancy in the office.

In addition to the above, between January 1, 1986, and June 30, 1994, an assistant/deputy city attorney in a city that had contracted for Gov. Code section 20361.3 (now repealed, but still applicable for an agency that contracted for it while it was law) was included in the definition of elective officers and was thus an optional member even though the individual had not been elected to office.

Part-Time Employees

You can contract for Gov. Code section 20325, to allow all part-time employees who work less than 20 hours a week for one year or more to elect optional membership. If such an amendment or resolution is adopted, all employees eligible to elect membership are automatically subject to the same Social Security coverage provided for members, whether or not they elect membership.

If an eligible employee wishes to elect optional membership, they should complete the Election of Optional Membership – Part Time Employee (myCalPERS 0843) (PDF) form, which can be downloaded from our website.

Exclusions From Membership

Since July 1, 1994, certain persons who formerly had optional membership rights are now excluded from electing CalPERS membership entirely.

Those excluded are members of commissions, boards, councils, or similar legislative or administrative bodies (e.g., water districts, sanitation districts, redevelopment agencies, transportation commissions, etc.). Regular employees of such agencies are not excluded, only the members of the governing board of such bodies.

Note: City council members and members of a County Board of Supervisors are specifically not excluded from membership by these law changes and remain eligible for optional membership (Gov. Code section 20322(c)).

Persons first elected or appointed prior to July 1, 1994, who continuously remained in such office, still have the right to elect optional membership. For example, a person who was elected in 1990 and has remained continuously in the same office with no breaks in service but has not yet elected optional

membership has the right to elect membership; whereas a person first elected in 2000 does not have the right and would be excluded from membership. The excluded positions are:

School Board Members

School board members are excluded if they are first elected or appointed to their position on or after July 1, 1994. However, if the person has been in the same position continuously since before July 1, 1994, they have the right to elect optional membership, and/or should still be reported in membership.

Elected/Appointed Officers of Administrative Bodies of Non-City/County Contracting Agencies

Members with a contracting agency other than a city or county are excluded if they are first elected or appointed to their position on or after July 1, 1994. However, if the person has been in the same position continuously since before July 1, 1994, they have the right to elect optional membership, and/or should still be reported in membership.

Elected/Appointed Officers of Administrative Bodies of Any Contracting Agencies

Members are excluded if they are first elected/ appointed to their position on or after January 1, 1997. However, if the person has been in the same position continuously since before January 1, 1997, they have the right to elect optional membership, and/or should still be reported in membership. As stated, city council members and county supervisors are not excluded.

Election of Optional Membership

A completed and signed Election of Optional Membership – Elective Officer (myCalPERS 0841) (PDF) form is required to establish membership for an officer who qualifies for optional membership as an elective/appointive officer under Gov. Code section 20322.

When to Complete

Once it has been determined the officer is eligible for and requests to elect optional membership, the myCalPERS 0841 form must be completed and submitted to CalPERS for review and approval of membership.

The optional member must be advised of their rights to elect membership when first eligible for membership (i.e., upon first taking office), but the election can be made at any time while in that elected/appointed position, even on the incumbent's last day in office. It is your responsibility to advise the eligible optional member of their CalPERS benefits and provide the Optional Member Guide (PDF) with the appropriate election form. Document the employee's personnel records with the information provided to the officer, as well as any direct response received from the officer (e.g., Ms. Smith declined membership at this time). **Do not send a notice to CalPERS if membership is not elected.**

When a current active or inactive member assumes an optional member position and elects CalPERS membership for that office, complete the Election of Optional Membership – Elective Officer (myCalPERS 0841) (PDF), enroll the optional member through myCalPERS, and upload the election form to the appointment in myCalPERS. Retain copies of the form for the member and your agency's personnel records.

Note: The officer's current CalPERS membership status does not serve as a qualification for eligibility to continue the person in membership automatically; an optional member election form must be submitted.

General Provisions and Instructions

- Optional members excluded by an agency's CalPERS contract remain excluded regardless of whether an Election of Optional Membership – Elective Officer (myCalPERS 0841) (PDF) is filed. Typical contract exclusions that apply are defined as Elective Officers and Members of the Governing Body, and those citing specific position titles.
- The optional member must receive compensation for membership to be reported and service credit earned. Reimbursement of expenses alone is not considered compensation under the Gov. Code.
- Elimination or waiver of compensation, once membership has been elected, does not constitute a permanent separation from membership for purposes of canceling membership and electing a refund of contributions if the person remains active in the same elected position with that employer.
- Refer to the Pay Rate and Earnings Relationship section in the Payroll Reporting chapter for normal contribution reporting instructions.
- When a member is changing optional member positions within the same agency, or beginning a new term, the officer must complete an additional optional member election, and the agency should submit the election to CalPERS by creating an appointment change in myCalPERS.
- An active optional member may elect to purchase and receive service credit for prior optional member service. When purchasing prior optional member service credit, an officer must purchase all prior optional member service for that employer, not just a portion of the optional member service period.
- An optional member may be eligible to purchase optional member service credit if they are an optional member on the date CalPERS receives their request for cost information.
- Refer to A Guide to Your CalPERS Service Credit Purchase Options (PUB 12) (PDF, 1.52 MB) for the redeposit of withdrawn contributions or other service credit purchase types.

Note: Do not attach the service credit purchase request to the Election of Optional Membership – Elective Officer (myCalPERS 0841) (PDF) form. It should be submitted separately.

School Employment: CalPERS or CalSTRS

Public school positions in California are divided into two basic types:

1. **Certificated**
   An employee in a position requiring certification qualifications by or pursuant to the Education (Ed.) Code. Credentialed employees (e.g., teachers, administrators, health care, and library media workers) are all in certificated positions. Changes to the Ed. Code effective January 1, 2016, further clarified the definition of creditable service to the California State Teachers' Retirement System (CalSTRS).

2. **Classified**
   An employee in a non-certificated position (e.g., office workers, custodial staff, and cafeteria workers).

In general terms, employees in certificated positions, or positions performing creditable service, may be eligible for membership in CalSTRS upon meeting normal qualification requirements, or by permissive election. Classified employees may be eligible for membership in CalPERS upon meeting normal eligibility requirements.

Pursuant to Gov. Code sections 20300(g), 20501, and 20610, CalPERS can cover school employees only with respect to employment in which they are not eligible for CalSTRS coverage. Some persons employed in certificated or classified positions may not actually qualify for membership in either system (e.g., due to part-time or temporary/seasonal status, etc.); thus, some school employees may not be members of either system until their working hours or conditions change. If you are unsure if an employee qualifies for membership in CalPERS, refer to the CalPERS Membership Eligibility section of this guide. If you are unsure if an employee qualifies for membership in CalSTRS, contact CalSTRS directly.

The Ed. Code 22508 provision may give persons certain rights regarding choosing retirement coverage under one system or the other. The Public Employees' Retirement Law (PERL) also contains Gov. Code section 20309 pertaining to election rights.

A CalSTRS member who becomes employed by the same or a different school district, a community college district, a County Superintendent of Schools, or limited state employment, as defined in Ed. Code section 22508, to perform service that requires membership in CalPERS, will have that service credited with CalPERS unless they file a written Retirement System Election (ES 0372) form. The member has 60 days from the date of hire in the new position to elect to have the service credited with CalSTRS.

A CalPERS member who was employed by a school employer, Board of Governors of Community College Districts, or State Department of Education **within 120 days before the member date of hire** to perform service that requires membership in the CalSTRS Defined Benefit Program or has at least **five years** of CalPERS credited service, as defined in Gov. Code section 20309, and who subsequently becomes employed to perform creditable service that requires membership in CalSTRS, will have that service credited with CalSTRS unless they file a written Retirement System Election (ES 0372) form. The member has 60 days from the date of hire in the new position to elect to have the service credited with CalPERS.

Inclusion of State Employees, State Board of Governors of the California Community Colleges, and Vested Members

Employees in Certain State Bargaining Groups

Senate Bill (SB) 1694 (Chapter 880, Statutes of 2000) amended section 22508 of the Ed. Code, and provides this same election right to CalSTRS members who enter state employment where one of the following conditions applies:

A. The employee is represented by a state bargaining unit that represents educational consultants, professional educators, or librarians employed by the state.

B. The employee is excluded from the definition of "state employee" in Gov. Code section 3513(c), yet performs, manages, or supervises work similar to employees under subparagraph "A" above.
C. The employee is in a non-civil service position in the executive branch, yet performs, manages, or supervises work similar to employees under subparagraph "A" above.

SB 1694 also amended Gov. Code section 20309 to provide an election right to CalPERS members who are employed with the State Board of Governors of the California Community Colleges or the State Department of Education when they subsequently enter employment that qualifies for membership in the CalSTRS Defined Benefit Program.

SB 165 (Chapter 77, Statutes of 2001) again amended Gov. Code section 20309 to also include CalPERS members with five years of CalPERS credited service. The five years of credited service can be with a state agency, public agency, county school, or any combination thereof, earned at any time during the member's career. An election opportunity arises when they subsequently enter employment that qualifies for membership in the CalSTRS Defined Benefit Program on or after January 1, 2002.

Assembly Bill 590 (Chapter 108, Statutes of 2017) amended Gov. Code section 20309 to allow CalPERS members with less than five years of service if employed by a school employer, the Board of Governors of the California Community Colleges, or the State Department of Education within 120 days before the member's date of hire to perform service that requires membership in the CalSTRS Defined Benefit Program.

Retirement System Election Eligibility Criteria

To be eligible for the Retirement System Election to elect CalPERS for a position performing creditable service, a member must meet one of the following two requirements on the date of hire in the new position:

- Have at least five years of CalPERS service, or
- Been active with a school employer, Board of Governors of Community College Districts, or State Department of Education **within 120 days** of date of hire

Note: CSU and University employers are **not** considered school employers.

In addition, the position must mandatorily qualify for membership in the CalSTRS Defined Benefit Program.

Information and Instructions

The right of election arises when the employee enters any new position or has a major change in conditions of employment (e.g., meets the minimum requirements of membership, changes school districts) that requires membership in another retirement system, and the employee, as a member of their current retirement system, is eligible to elect.

The election must be made in writing by completing the Retirement System Election (ES 0372) form, which can be obtained from the CalSTRS Forms & Publications Ordering System. You are required to inform the eligible employee of their right to make the election within 10 working days of the date of hire into the position that qualifies for this election (Ed. Code section 22509).

If the employee elects, the completed form must:

- Be clearly marked with the choice of retirement system
- Be signed and dated by both the employee and employer
- Indicate the date the employee entered the new position
- Indicate the employee's position title and type (i.e., credentialed, classified, state service)
- Be filed with CalPERS by you within **60 days** of the entry into the new position

Retain a copy of the employee's signed election form and upload the signed form to myCalPERS.

Incomplete forms will be returned to you for further action.

An election is irrevocable and will remain in effect until a change in employment occurs that qualifies the employee for the election right, or until the employee separates from employment and receives a refund of all accumulated contributions and interest. An election cannot be accepted after a refund or retirement event because the membership ceases.

Retirement does not cancel an election and may impact the employee's ability to return to the same employment post-retirement.

If the employee does not exercise the right of election within **60 days** from the date of hire, the employee will be reported to the default retirement system for that employment title and type.

If the member is electing CalPERS membership, upload the signed election form to myCalPERS when the appointment is created, or send elections to:

CalPERS
Employer Account Management Division
Attn: Member Elections Team
P.O. Box 9427094
Sacramento, CA 94229-27094

When enrolling a member into myCalPERS, you are required to upload the completed election form and certify information to create an appointment for a member electing CalPERS coverage for a CalSTRS reportable position.

Use the charts following this section as a guide to determine if the employee is eligible for this election and the retirement system coverage.

Differences Between CalPERS and CalSTRS

There are many factors that might influence a person's decision about coverage under one system or the other. Some of the differences between the two systems are the following:

- CalPERS members may or may not have Social Security coverage (most do), whereas CalSTRS members generally do not.
- Benefit factors based on age for service retirement may be different.
- Employee contribution rates may be different.

- Persons entering membership in either system between July 1, 1980, and December 31, 1998, may not be eligible to convert unused sick leave credits to service credit at retirement.

Refer to the Join CalSTRS? Join CalPERS? (PDF, 1.0 MB) publication for more information.

We suggest you contact CalPERS or CalSTRS if you have any specific questions or need additional information relating to an employee's eligibility and/or choice of coverage.

CalSTRS Contact Information

Phone: (800) 228-5453

Fax: (916) 414-5040

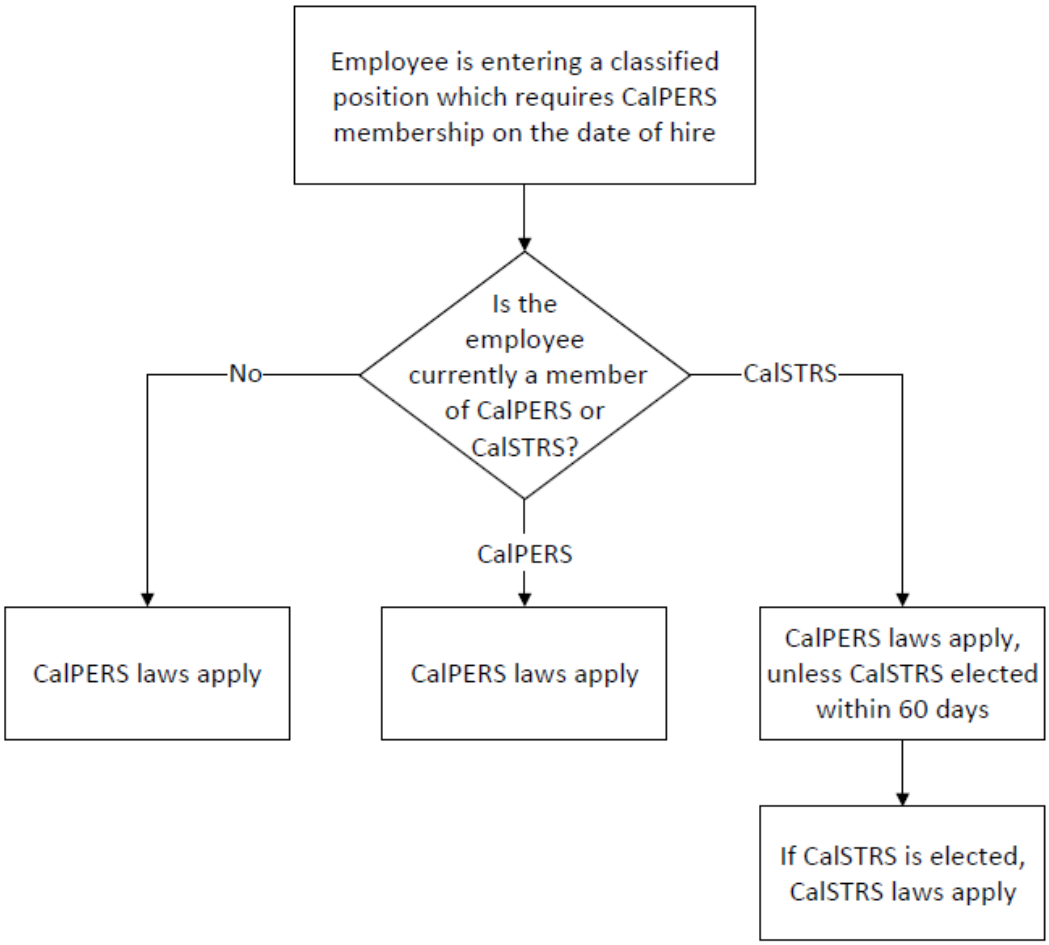
www.calstrs.com

Additional Information

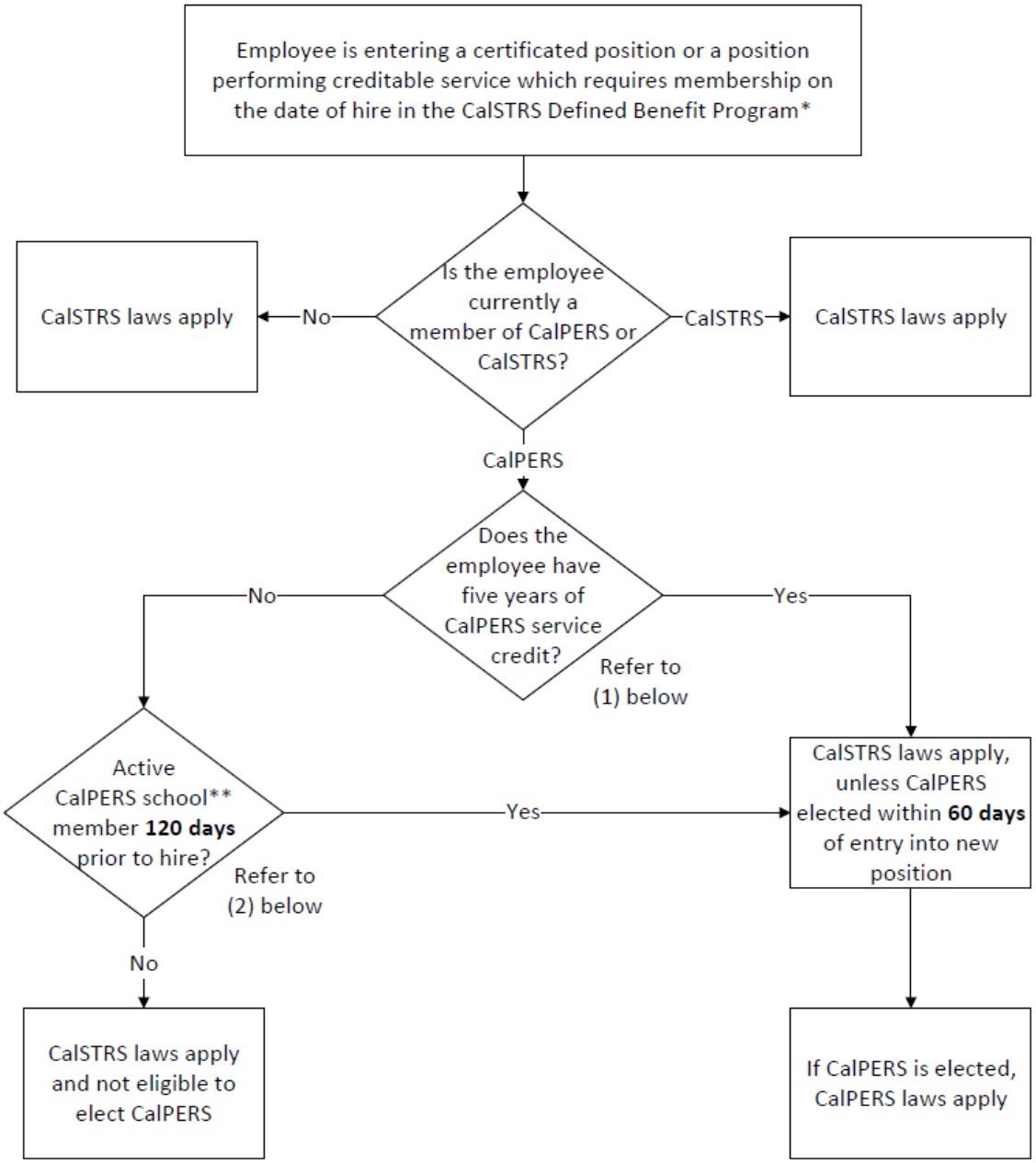
- A person is a member of CalPERS or CalSTRS unless they have permanently separated from all employment covered by the system and received a refund of their contributions and interest on deposit. Retired members are not considered members for the purposes of this election.
- It is possible to be an active (i.e., currently employed) member of both CalSTRS and CalPERS if this dual coverage is for distinct positions.
- A CalPERS member with less than five years of service must have been employed by a school employer, the Board of Governors of the California Community Colleges, or the State Department of Education **within 120 days** before the member's date of hire to perform service that requires membership in the CalSTRS Defined Benefit Program to be eligible for the right of election.
- The right of election can only be offered to an eligible CalPERS member when the new certificated position qualifies for mandatory membership on the date of hire under the CalSTRS Defined Benefit Program requirements. If the position does not mandatorily qualify for membership on the date of hire, they would not be eligible for the Retirement System Election.

If the member is electing CalPERS membership, retain a copy of the member's signed election form and upload the signed form to myCalPERS.

CalPERS/CalSTRS Retirement System Election



CalPERS/CalSTRS Retirement System Election (Continued)



*Substitute or part-time employment for an employee who is not previously a CalPERS member may not require membership. It is your responsibility to contact CalSTRS to verify the eligibility for membership prior to administering a Retirement System Election.

(1) Gov. Code section 20309 (Chapter 77, Stats. 2001) effective January 1, 2002
(2) Gov. Code section 20309 (Chapter 880, Stats. 2000) effective January 1, 2001

** With a school employer, State Department of Education, or Board of Governors of the California Community Colleges.

Reporting Multiple Positions/Overtime Positions

Gov. Code section 20635 defines overtime as:

> "… the aggregate service performed by an employee as a member for all employers and in all categories of employment in excess of the hours of work considered normal for employees on a full-time basis, and for which monetary compensation is paid."

Full-time employment is defined by the employer based on operational needs, with a minimum of 34 hours per week and no maximum cap on weekly hours (the exception is non-certificated school employers, which is discussed below). Employers must document their definition of full-time employment in a compliant Written Labor Policy (WLP) or Publicly Available Pay Schedule (PAPS). Compensation for all regularly scheduled hours, including those exceeding traditional full-time schedules, must be reported to CalPERS as base pay, provided these hours are part of the employee's normal work schedule and meet the employer's definition of full-time employment. Hours worked beyond the regularly scheduled hours are considered overtime and cannot be reported to CalPERS, in accordance with Gov. Code section 20635.

California Code of Regulations (CCR) section 574 clarifies full-time employment for public agencies as:

> "… for purposes of determining CalPERS membership eligibility, reporting overtime positions, and determining compensation earnable and pensionable compensation, "full-time" employment means a minimum of 34 hours per calendar week, or a minimum of 67 hours bi-weekly, 72 hours semi-monthly, 133 hours quadri-weekly, or 144 hours monthly."

Gov. Code section 20635.1 defines overtime for school members as:

> "For the purposes of this part, overtime for school members is the aggregate service performed by an employee as a member for all school employers and in all categories of employment in excess of 40 hours of work per week, and for which monetary compensation is paid."

Gov. Code section 20636.1 states that for all non-certificated (classified) school members, full-time employment is considered 40 hours per week. This means all hours up to 40 per week must be reported to CalPERS for non-certificated school members at the straight time rate, and only those hours above 40 are considered overtime.

CCR section 574 clarifies full-time employment for classified school members as:

> "For purposes of determining CalPERS membership eligibility, reporting overtime positions, and determining compensation earnable and pensionable compensation for classified members, "fulltime" employment means 40 hours per week; payments for services rendered, not to exceed 40 hours per week, shall be reported as compensation earnable or pensionable compensation for all months of the year in which work is performed."

All positions must be reported to CalPERS. If an employee has both a part-time and full-time position, then the full-time position is considered the contributing position (where employer and employee contributions are submitted to CalPERS), and the part-time position is considered the overtime/noncontributory position (where no contributions are submitted).

In situations where a member is working two full-time positions, the position with the highest pay rate or base pay will determine which employment will be considered the contributing position to CalPERS. CalPERS will determine which employment is considered overtime. For CalPERS to properly determine which position will be considered contributory, all appointments must be keyed into myCalPERS and payroll submitted with contributions.

These rules also apply to situations where a member elects CalPERS membership, which includes elective officials and those certificated school employees electing CalPERS. CalPERS will still evaluate these situations to determine if a position is overtime (non-contributory).

When an appointment is keyed in myCalPERS and the member has a concurrent active appointment, myCalPERS will notify you of a possible overtime position. If you receive this notification, complete the enrollment and submit payroll with contributions for the position.

If CalPERS determines the position with your organization is the overtime position, you will be instructed to reverse the overtime contributions for the employee, providing a credit to your employer account. When submitting payroll for the employee's overtime position, you must report the payroll as non-contributory. If the member contributions are not employer paid member contributions, you must refund the overtime contributions to the member. CalPERS does not refund the member their overtime contributions.

The following scenarios illustrate proper enrollment and reporting for member working in multiple positions:

- The member currently holds one full-time position subject to CalPERS and accepts a second concurrent qualifying part-time position.
    - **Action:** The part-time position must be keyed into myCalPERS and CalPERS will make the determination on which position is overtime (non-contributory).
- The member holds more than one part-time position with different CalPERS-covered employers.
    - **Action:** All part-time positions must be keyed into myCalPERS, and CalPERS will determine if there are any overtime positions.
- The member holds more than one part-time position with the same CalPERS-covered employer.
    - **Action:** All positions must be keyed into myCalPERS.
- The member works two full-time positions, either with the same employer (e.g., a school district) or with two different CalPERS-covered employers.
    - **Action:** Both positions must be keyed into myCalPERS, and CalPERS will determine which position is overtime (non-contributory).

Additional Information

Pursuant to changes made to Gov. Code section 20635 by Senate Bill 53 (Chapter 1297, Statutes of 1993), the treatment of more than one full-time position has been changed; the crucial distinction now is whether the service in question was worked before or after July 1, 1994:

- **Before July 1, 1994**: The member has the right to elect which of the two full-time positions will be reported to CalPERS; CalPERS will, upon discovery of the second full-time position, send the member an election notification allowing this choice to be made. If no election is made (i.e., the member does not respond to CalPERS' notification of election rights), employment with the latest hire date will be deemed the non-reportable overtime position.
- **After July 1, 1994**: The position with the highest pay rate or base pay will be considered the contributing position to CalPERS, with the other position deemed the non-reportable, overtime position.

If the employment began **before** July 1, 1994, and continues **after** July 1, 1994, the member will have election rights indicated above only for the employment **prior to July 1, 1994**. Employment **on and after July 1, 1994**, will require the position with the highest pay rate or base pay to be the contributing position to CalPERS.

Note: Members must separate from all CalPERS-covered employment prior to retirement, even if the position is determined to be overtime (non-contributory).

Updating Employee Demographic Information

To ensure consistent information between your agency and CalPERS, verify and make any changes to your employees' demographic information via myCalPERS.

Active Member Instructions

Verify the validation document(s) and process the change by updating myCalPERS with the correct demographic information.

Inactive Member Instructions

If the member has separated from your agency and notifies you their demographic information is incorrect, instruct them to provide CalPERS with one of the applicable validation documents listed below and to complete the myCalPERS 0351 form located in the their myCalPERS account.

Validation Documents

Updates to the following items require specific validation documents for changes in myCalPERS:

Name

myCalPERS requires you to have a copy of the following on file:

- Social Security card

Social Security Number

myCalPERS requires you to have a copy of the following on file:

- Social Security card

Gender

myCalPERS requires you to have a copy of one of the following on file:

- Birth certificate

- Court order to change gender
- Driver's license or identification card
- U.S. passport or U.S. passport card

Birth Date

myCalPERS requires you to have a copy of one of the following on file:

- Birth certificate/Delayed birth certificate
- Driver's license
- Naturalization or U.S. passport
- Foreign passport with I-94
- Border crossing card with I-94
- Social Security certification showing the date of birth that has been established by the Social Security Administration

Note: Member and beneficiary birth dates must be accurate for CalPERS to calculate and pay benefits. Member and beneficiary birth date verification from the approved birth date validation documents list will be required at the time a retirement application is submitted. **Do not** send originals and always include the Social Security number or CalPERS ID on all validation documents.

If none of the listed documents are available, submit a written request to:

CalPERS
Employer Account Management Division
Membership Services
P.O. Box 942709
Sacramento, CA 94229-2709

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

Member myCalPERS Accounts

myCalPERS provides members access to their real-time account information, allowing them to review the information submitted on their behalf by their employers, including appointment, payroll, and service credit information.

It is critical to stay current with information reported to CalPERS on behalf of your employees. Accuracy and promptness will alleviate future concerns or questions members may have with their CalPERS account and the information provided by your agency.

You are expected to be knowledgeable of all areas covered in this guide, Circular Letters, and other standard CalPERS publications. If you encounter a situation not addressed in these resources, contact us at **888 CalPERS** (or **888**-225-7377).

Reciprocity

Full Reciprocity

Reciprocity is an agreement among public retirement systems to allow members to move from one public employer to another within a specific time limit.

When a member establishes reciprocity, there is no transfer of funds or service credit between retirement systems. The employee is a member of both systems and is subject to the membership and benefit obligations and rights of each system, except as they are modified by the reciprocity agreement.

Reciprocity is determined between CalPERS and the reciprocal retirement system. It can be highly complex. If a member has questions regarding reciprocity, advise them to contact CalPERS or the other retirement system directly.

To request to establish reciprocity, a member should log in to their myCalPERS account and select the **Retirement** tab. Under **Retirement Summary**, they can submit the request through the **Reciprocity** section. They can review their online request in myCalPERS to monitor the determination status.

For all the benefits of reciprocity to apply, the member must:

- Meet the specific reciprocal requirements
- Retire on the same date from each reciprocal retirement system participating in a reciprocal agreement
- Apply to retire from each reciprocal retirement system separately; this means the member will receive a separate retirement allowance from each system

CalPERS authority extends only to applying and implementing the California Public Employees' Retirement Law (PERL); it does not extend to applying and implementing the laws or regulations under which other public retirement systems are administered. Questions relating to rights, benefits, and obligations under any of the other public retirement systems should be addressed directly to the appropriate system.

For more information on reciprocity, refer to A Guide to Your CalPERS When You Change Retirement Systems (PUB 16) (PDF) or order a copy through your myCalPERS account by selecting the **Requests** tab to access the Publication Ordering List.

Reciprocal 1937 Act Counties

- Alameda
- Contra Costa
- Fresno
- Imperial
- Kern
- Los Angeles
- Marin
- Mendocino
- Merced

- Orange
- Sacramento
- San Bernardino
- San Diego
- San Joaquin
- San Mateo
- Santa Barbara
- Sonoma
- Stanislaus
- Tulare
- Ventura

Independent Public Agency Retirement Systems

- City and County of San Francisco Employees' Retirement System
- City of Concord*
- City of Costa Mesa (safety employees only)*
- City of Delano Employee Pension Plan*
- City of Fresno Employees' Retirement System (misc. and safety retirement systems)
- City of Pasadena Fire and Police Retirement System (fire and police only)*
- City of San Clemente (misc. only)*
- City of San Jose Office of Retirement Services
- Contra Costa Water District
- East Bay Municipal Utility District
- East Bay Regional Park District (safety employees only)
- Los Angeles City Employees' Retirement System (LACERS) (misc. only); L.A. Fire and Police Pension System and L.A. Water and Power Employees' Retirement System not eligible
- Los Angeles County Metropolitan Transportation Authority (formerly Non-Contract Employees' Retirement Income Plan, formerly Southern California Rapid Transit District)*
- Oakland Municipal Employees' Retirement System (City of Oakland) (misc. only)*
- Sacramento City Employees' Retirement System*
- San Diego City Employees' Retirement System
- San Luis Obispo County Pension Trust

*These entities are now CalPERS-covered employers. If a member earned service credit in these systems prior to the agency's CalPERS contract, they may be eligible for reciprocity for that earlier service credit.

University of California Retirement Plan (UCRP)

Only UCRP members who participate in the defined benefit plan of the University of California Retirement Plan (UCRP), which contracted with CalPERS on October 1, 1963, may be eligible for reciprocal provisions.

Note: All Reciprocal 1937 Act counties and reciprocal public agencies have reciprocity with each other as a result of contracting for reciprocity with CalPERS.

Exception: This agreement does not apply to UCRP. UCRP is not part of this agreement with any other reciprocal agencies.

Reciprocity Requirements

Conditions for Acquiring Full Reciprocity

CalPERS may recognize reciprocity upon movement between reciprocal retirement systems if the following requirements are met:

Maintain Membership

The member must be a member under the defined benefit plan of both systems. They must continue membership in the first retirement system by leaving their service credit and contributions (if any) on deposit.

Movement to a New Reciprocal System

The member must enter employment that results in membership in the new system within six months of leaving the other system. Eligibility for reciprocity is determined by the retirement laws in effect at the time of movement between employers and retirement systems. Since July 1, 1976, retirement law has required movement within six months.

No Overlapping Service

The member must discontinue their employment relationship from the first system before entering membership with the subsequent system, resulting in membership in the new system.

Concurrent Retirement Between Reciprocal Systems

To receive full reciprocal benefits, the member must retire on the same date from both or all systems by submitting a retirement application in accordance with the rules and regulations associated with each system.

Certain exceptions may exist if the member was employed under an independent public agency retirement system before the effective date of that system's reciprocal agreement with CalPERS.

Important Restrictions

When changing retirement systems, the member must satisfy several statutory conditions, as follows, to receive the full benefits of reciprocity:

Concurrent Employment

Reciprocity does not apply when the employment under the first retirement system overlaps with the employment under the new system. For the benefits of reciprocity to apply, the member must have been separated under the first system prior to joining the new system. This may be true even if the overlapping time is due to running out leave credits or while on a leave of absence. The member should check with their current system and new system about their rules before they change employment. If they are concurrently employed, we will use their highest rate of pay under CalPERS when computing their retirement allowance.

Refund Restriction

Some retirement systems may not allow the member to withdraw their member contributions while they are employed in a position covered by UCRP, or if, within six months of leaving state service, the member entered employment covered by a system under the County Employees' Retirement Law of 1937 or covered by other reciprocal retirement systems.

Reinstatement From Retirement

If in the future a retiree reinstates to active employment in a CalPERS-covered position and had retired under reciprocity, there may be impacts to their retirement due to breaking reciprocity.

Provisions Under Full Reciprocity

Eligibility for reciprocity is determined by the retirement laws in effect at the time of movement between employers and retirement systems. The information contained here expresses current CalPERS law.

Final Compensation

The highest compensation earnable under any system may be used when computing final compensation if retirement from all systems is concurrent.

Note: If a member retires on a service retirement from another reciprocal system before meeting the CalPERS minimum retirement age, they can later retire under CalPERS, effective the first date they become eligible for retirement. We will still use the highest rate of pay under any of the reciprocal systems. This provision does not apply to the nonreciprocal systems.

If the member became an elected or appointed officer after July 1, 1994, we use the highest rate of pay **under CalPERS only**. Reciprocal provisions of final compensation sharing do not apply even if the requirements are met (Gov. Code section 20039).

If the member has a combination of classic and PEPRA service in CalPERS, we will use one final compensation amount for the service earned as a classic member and a second final compensation amount for the PEPRA service. We cannot use the PEPRA salary toward classic service and vice versa.

Disability Retirement

If the member is eligible for disability retirement from another system (or disability income from UCRP), they may be entitled to CalPERS disability retirement benefits if they retire from both systems on the same date. CalPERS would pay an amount that does not exceed the difference between the amount that would be paid by the other system if all the member's CalPERS service were under that system, and the amount paid under the other system, but not less than an annuity that is the actuarial equivalent of the member's contributions.

When retirement under the other system is for disability arising out of and during employment under the other system, CalPERS pays an annuity that is the actuarial equivalent of the member's contributions.

Pre-Retirement Death Benefits

If the member dies prior to retiring while employed as a member of another system, a lump-sum basic death benefit consisting of a return of their CalPERS retirement contributions will be payable to a

beneficiary. An additional benefit, employer share, may be payable; however, the total paid by both systems cannot exceed the maximum lump-sum benefit allowable if all service had been under the other system.

If the member is a safety member of CalPERS and the death is job-related, the monthly special death benefit allowance may be payable to a qualifying survivor.

Membership Rate Age

Other systems may use age at entry to determine the member's contribution rate in the system. The member should check with the appropriate system for information.

Reciprocal Provisions for Non-Qualifying Individuals

Even if the member does not qualify for full reciprocity, CalPERS offers the following provisions for some individuals who are a member of the defined benefit plan of a reciprocal system:

Redeposit Rights

If the member withdrew their CalPERS contributions and interest and later joined a reciprocal retirement system, they can re-establish CalPERS service credit and membership by making a redeposit.

Vesting

A CalPERS member who is also a member of a reciprocal retirement system's defined benefit plan is eligible to retire from CalPERS without meeting the CalPERS minimum service credit requirement, however they must still meet the minimum age requirement. Vesting requirements of the other system(s) must be met to retire concurrently from each system. Contact the other retirement system(s) to determine their retirement requirements.

Movement to a Reciprocal System Prior to the Reciprocity Agreement

If the member's employer established a reciprocal agreement with CalPERS after the member changed membership, and they would have been eligible for reciprocity had an agreement been in effect at the time of their membership change, their retirement allowance may still be based on the highest final compensation under either system if they retire on the same date under both systems.

Reciprocal Provisions for the University of California Retirement Plan

University of California Retirement Plan (UCRP)

Members who participate in the UCRP defined benefit plan may qualify for reciprocal provisions even if the reciprocal movement requirements are not met for full reciprocity.

Redeposit Rights

If a member withdrew their CalPERS contributions and interest and later joined a reciprocal retirement system, they can re-establish CalPERS service credit and membership by making a redeposit.

Vesting

A CalPERS member who is also a member of a reciprocal retirement system's defined benefit plan is eligible to retire from CalPERS without meeting the CalPERS minimum service credit requirement, however

they must still meet the minimum age requirement. Vesting requirements of the other system(s) must be met to retire concurrently from each system. The member will need to contact the other retirement system(s) to determine their retirement requirements.

Final Compensation

The average pay rate during any 12- or 36-month period of employment with the University of California may be used for computing final compensation if the member retires from both systems on the same date and membership requirements in both systems are met (Gov. Code section 20034).

CalPERS Provisions for Non-Reciprocal Public Retirement Systems

There is no formal reciprocity agreement established between CalPERS and the following systems:

- California State Teachers' Retirement System (CalSTRS)
- Legislators' Retirement System (LRS)
- Judges' Retirement System (JRS)
- Judges' Retirement System II (JRS II)

However, an agreement with these systems provides similar provisions. The following apply to CalPERS members who enter employment with these systems:

Final Compensation

CalPERS may compute the member's final compensation based on the highest rate of pay under CalSTRS, LRS, JRS, JRS II, or CalPERS during any consecutive 12- or 36-month period of service if they retire on the same date under both systems.

If a member became an elective or appointed officer on or after July 1, 1994, we use their highest rate of pay **under CalPERS only**; provisions of final compensation sharing will not apply even if the requirements are met.

If the member has a combination of classic and PEPRA service in CalPERS, we will use one final compensation amount for the service earned as a classic member and a second final compensation amount for the PEPRA service. We cannot use the PEPRA salary toward classic service and vice versa.

Redeposit Rights

A member of CalSTRS Defined Benefit Program, LRS, JRS, or JRS II may redeposit in CalPERS previously withdrawn CalPERS contributions to re-establish service credit in our system.

To receive this credit, a member's election must be filed with CalPERS before their retirement is effective (Gov. Code section 21032). The member should request cost information at least one year prior to their retirement date to ensure accurate and timely payment of benefits.

Vesting

A CalPERS member who is also a member of CalSTRS Defined Benefit Program, LRS, JRS, or JRS II is eligible to retire from CalPERS without meeting the CalPERS minimum service credit requirement, however they must still meet the minimum age requirement.

Disability Retirement

There is no provision for CalPERS disability retirement when a member is eligible for a disability retirement benefit from CalSTRS, LRS, JRS, or JRS II. They must instead take a CalPERS service retirement from the other system for the provisions of final compensation to apply.

If the member retires on a disability retirement from the other system before they have met the CalPERS minimum service retirement age, they can later retire under CalPERS. We will use their highest CalPERS pay rate to determine their final compensation amount.

If the member will receive a disability allowance from CalSTRS, they can take a service retirement from CalPERS at the same time, if they meet the minimum retirement age, or at age 60, when the disability allowance under CalSTRS is changed to a service retirement. Either way, they are considered to have retired on the same date under both systems, and CalPERS will compute their final compensation based on the highest rate of pay under either system.

Notifying CalPERS When the Member Changes Retirement Systems

When an employee becomes a member of a reciprocal or non-reciprocal public retirement system, they can request reciprocity by logging in to their myCalPERS account and selecting the **Retirement** tab. Under **Retirement Summary**, they can submit the request through the Reciprocity section. They can review their online request in myCalPERS to monitor the determination status.

Direct requests for information or inquiries to:

CalPERS
Employer Account Management Division
Attn: Member Elections Team
P.O. Box 9427094
Sacramento, CA 94229-27094

For more detailed information on reciprocity, refer to A Guide to Your CalPERS When You Change Retirement Systems (PUB 16) (PDF).

Judges' Retirement System, Judges' Retirement System II, and Legislators' Retirement System Members

Due to the Public Employees' Pension Reform Act (PEPRA), effective January 1, 2013, the statutes that govern the Legislators' Retirement System (LRS) closed LRS to all newly elected or appointed officers. Newly elected or appointed constitutional officers, insurance commissioners, and legislative statutory officers are only eligible for optional CalPERS membership.

myCalPERS has been modified to remove LRS enrollment as an option for new members. The current enrollment process that allows new members to elect optional membership into CalPERS will not change.

Contact CalPERS Judges' & Legislators' Retirement System directly when an employee becomes a member of a reciprocal or non-reciprocal public retirement system.

CalPERS
Judges' & Legislators' Retirement Systems
P.O. Box 942705
Sacramento, CA 94229-2705

Phone: (916) 795-3688
Fax: (916) 795-1500

Service Credit Purchase Options

Service Credit

Service credit represents the accumulated amount of your employees' service time at work or on paid status under their CalPERS-covered employer(s), counted on a fiscal year basis.

Service credit is one of three factors used to calculate an employee's retirement benefit, along with their retirement formula and final compensation.

For a complete list of service credit purchase types, payment options, and instructions, refer to A Guide to Your CalPERS Service Credit Purchase Options (PUB 12) (PDF 1.52 MB) and A Guide to Your CalPERS Military Service Credit Options (PUB 15) (PDF). These are available through our Forms & Publications webpage or by calling **888 CalPERS** (or **888**-225-7377).

Members can submit a completed request electronically in myCalPERS with all required documentation.

Members should request to purchase service credit early in their career because the cost will be lower, and they can pay off their lump-sum balance in full prior to retirement to maximize their benefit increase. All elections to purchase service credit must be received prior to retirement. Refer employees to the Installment Payment Guidelines (PDF) for specific payment options.

Employer Role in Service Credit Purchases

Employees can explore their service credit options by logging in to their myCalPERS account.

Encourage your new and existing members to request to purchase service credit early in their careers.

The following types of service credit require employer certification online when the member submits the request for a service credit purchase:

- Service Prior to Membership
- Leave of Absence
- Layoff, Prior Service, Optional Member Service
- Comprehensive Employment and Training Act or Fellowship

CalPERS offers a variety of service credit purchase options to your employees that do not require employer certification. These include:

- Redeposit of Withdrawn Contributions
- Military Leave of Absence
- Military

- Alternate Retirement Program (ARP)
- Peace Corps, AmeriCorps VISTA, or AmeriCorps
- Base Realignment and Closure (BRAC) Firefighter

Employer Cost

Employers are billed for the following service credit types:

- Redeposit Arrears (for the employer share)
- Member Paid Arrears (for the employer share)
- Employer Paid Arrears (for the member and employer share) (Gov. Code section 20283)

For service credit purchases, the employer liability is funded by the actuarial evaluation and setting of the employer rate based on the service that has been posted to the employer.

Service Credit Cost Estimation

To get an estimate of the potential cost to purchase service credit, members should complete the following steps:

- Log in to their myCalPERS account
- Go to the **Retirement** tab
- Select **Make a Service Credit Purchase**
- Answer a series of questions to determine which type(s) of service credit they are eligible for
- Request the cost for any available purchase option(s)

Additionally, your agency may receive requests in myCalPERS to certify employment history and payroll information for members wishing to purchase service credit. All member requests requiring certification will be found in myCalPERS in the **Reporting** tab under **Member Requests**. The **Member Request** tab should be monitored daily to ensure all employer certification requests are completed timely. If certification is not completed within 30 days, the member's request will be closed as incomplete, and they will be required to submit a new request.

Note: A member's election to purchase service must be received by CalPERS before their effective retirement date.

Redeposit

CalPERS members have the right to redeposit contributions previously withdrawn from CalPERS to restore service credit for previous employment. The member must redeposit the amount withdrawn, plus a sum equal to the interest which would have accrued had the member's funds been left on deposit. Interest will be charged in the manner it would have accrued if the contributions had not been withdrawn, through the completion of payments.

A member whose ex-spouse received a portion of the member's account as part of a community property judgment or settlement **and** took a refund of the contributions may be eligible to redeposit those funds in CalPERS.

Service Prior to Membership

Service Prior to Membership (SPM) is service rendered after the date of contract between a public agency, state agency, or school district and CalPERS, but before the employee entered CalPERS membership. An election to contribute to SPM will result in additional service credit.

Persons who were employed under the following conditions may be eligible to request SPM:

- Those employed less than 87 hours per month, or less than an average of 20 hours per week, prior to becoming a member.
- Those formerly employed in temporary or seasonal employment, in which they were excluded from membership under Gov. Code section 20305.
- Those optional elective officers, governor appointees, and legislative employees who are no longer working in an optional position. If still in an optional position, refer to the Optional Members of CalPERS section of this guide.

Active or inactive CalPERS members **cannot** purchase CalPERS SPM service credit if:

- The agency where the service was earned does not currently have a contract with CalPERS
- Their service is excluded by law or by the employer's contract with CalPERS
- They worked at a school in a certificated position (these members should contact CalSTRS to find out if they can purchase the service with that system)
- They worked at the University of California after October 1, 1963
- They are retired

Verification of Service Prior to Membership

When a member requests to purchase SPM through myCalPERS, they must indicate their period of employment. The request will be available to the employer for certification in myCalPERS in the **Reporting** tab under **Member Requests**. The employer must follow the directions provided online to complete the required pay period detail information, per pay period, and then submit the completed certification electronically.

Comprehensive Employment and Training Act (CETA) or Fellowship Service

Gov. Code sections 21030 and 21020.5 provide employees the option to purchase eligible time spent working for a CalPERS-covered employer under CETA or time spent working under the Assembly, Senate, Executive, or Judicial Administration Fellowship program, before becoming a CalPERS member.

When a member requests to purchase service through myCalPERS, they must indicate their period of employment. The request will be sent to the employer for certification. The employer must follow the directions provided online to complete the required pay period detail information, per pay period, and then submit the completed certification electronically.

Members can submit a completed request electronically in myCalPERS with all required documentation.

Members should request to purchase service credit early in their career because the cost will be lower, and they can pay off their lump sum balance in full prior to their retirement to maximize their benefit

increase. All elections to purchase service credit must be received prior to retirement. Refer employees to the Installment Payment Guidelines (PDF) for specific payment options.

Base Realignment and Closure (BRAC) Firefighter Service

Gov. Code section 21024.5 provides employees the option to purchase eligible time spent working as a permanent career civilian federal firefighter or permanent career state firefighter who had their services terminated at a California federal military installation. Members are eligible for this cost type only if their current or past employer contracts for the provision.

Members can submit a completed request electronically in myCalPERS with all required documentation.

Members should request to purchase service credit early in their career because the cost will be lower, and they can pay off their lump-sum balance in full prior to their retirement to maximize their benefit increase. All elections to purchase service credit must be received prior to retirement. Refer employees to the Installment Payment Guidelines (PDF) for specific payment options.

Note: To determine eligibility, supporting documentation (e.g., Standard Form 50) must be submitted with the completed request form.

Peace Corps, AmeriCorps VISTA, and AmeriCorps

A member may be eligible to purchase credit for up to three years of service in the Peace Corps, AmeriCorps VISTA (Volunteers in Service to America), or AmeriCorps. The member must be able to provide CalPERS with documentation certifying their dates of service. If the member does not have a certification letter, they can request a letter by visiting the Peace Corps or AmeriCorps website.

The member can submit a completed request electronically in myCalPERS with all required documentation.

Members should request to purchase service credit early in their career because the cost will be lower, and they can pay off their lump sum balance in full prior to their retirement to maximize their benefit increase. All elections to purchase service credit must be received prior to retirement. Refer employees to the Installment Payment Guidelines (PDF) for specific payment options.

Credit for Military Service Prior to Employment — Public Agency Members

Gov. Code section 21024(f) states in relevant part "An employer shall inform a new employee at the time of hire of their rights to purchase service credit under this section." Members may be eligible to receive active-duty military service credit, provided the:

- Public agency amends their contract to provide this benefit
- Military service was rendered prior to CalPERS membership with a contracting agency which has amended their contract
- Member elects to purchase military service credit
- Member does not receive credit exceeding four years

Public Agency Retirees

Gov. Code section 21027 provides that public agency retirees may be eligible to receive credit for their military service, provided the:

- Public agency amends their contract for Gov. Code sections 21024 and 21027
- Military service was rendered prior to CalPERS membership with a contracting agency that has amended their contract accordingly
- Member retired immediately (within 120 days of separation from employment) from the contracting agency and before the effective date of the agency's contract amendment for Gov. Code section 21024
- Retiree elects to purchase military service credit
- Retiree does not receive credit exceeding four years

Military Service Credit as Prior Service

Gov. Code section 20996 provides employees who are or were on military leave at the time your agency contracts for CalPERS coverage and returned to employment with your agency within six months after discharge from active military duty can receive prior service credit for the period of their absence. If your agency provides this benefit, former employees employed by other CalPERS employers would also be eligible for this service credit. Your agency would be liable for the cost.

State and County School Members and Retirees

Gov. Code section 21029(e) states in relevant part "An employer shall inform a new employee at the time of hire of their rights to purchase service credit under this section." Members may be eligible to receive credit for their military service, provided they:

- Are currently employed with or retired directly (within 120 days of separation) from state or school employment
- Have a minimum of one year of CalPERS service and one year of military service. Service is granted on a basis of one year of military service credit for each year of credited CalPERS service credit, not to exceed four years.
- Make an election to purchase military service credit
- Retired on or after December 31, 1981, if a state retiree

To get an idea of the potential cost to purchase service credit, members can log in to their myCalPERS account.

Members can use their myCalPERS account to request to purchase service credit electronically by going to the **Retirement** tab and selecting **Make A Service Credit Purchase**. Once they complete a short series of questions, they will be provided with the service credit types they are eligible to purchase.

For more information on active duty military service credit options, refer to A Guide to Your CalPERS Military Service Credit Options (PUB 15) (PDF) or visit our Service Credit webpage.

Note: To determine eligibility, a copy of the discharge or other document (e.g., DD214) indicating the beginning and ending dates of active duty must be submitted to CalPERS.

A copy of the discharge document can be obtained from the National Personnel Records Center, Military Personnel Records, 9700 Page Avenue, St. Louis, MO 63132-5100. Members can also complete and mail in the Standard Form 180, available on the National Archives website.

Leave of Absence

There are certain conditions in which some leave of absence types may be creditable in CalPERS.

Temporary Disability Leave

Temporary disability leave of absence is time off while receiving temporary disability payments because of a job-related injury or job-related illness.

A member may purchase the amount of service credit that was not credited to their account due to the leave of absence.

Educational Leave of Absence – Not Available to Public Agency and School Employees

Educational leave of absence is an employer-approved leave for the purpose of further education.

Members must be a state agency, University of California, or California State University employee, both before and on their return from the leave. Members may purchase a maximum of two years of service credit (even if the combined total of the member's educational leave exceeds two years).

Serious Illness Leave of Absence

Serious illness leave of absence is an employer-approved leave due to the member's own serious illness or injury.

You must certify the member was on an employer-approved leave due to the member's own serious illness or injury. The member must return to active service with a CalPERS-covered employer following the leave.

A member may purchase the amount of service credit that was not credited to their account due to the leave of absence.

Sabbatical Leave of Absence

Sabbatical leave of absence is time off for a partially compensated leave of absence from CalPERS-covered employment. The member must return to CalPERS-covered employment at the end of the leave of absence.

A member may purchase the amount of service credit that was not credited to their account due to the leave of absence.

Maternity/Paternity Leave of Absence

Maternity/paternity leave of absence is time off after the birth or adoption of a child. The member must return to CalPERS-covered employment at the end of the approved leave and remain in the CalPERS-covered employment for at least the same amount of time. A member can purchase up to one year of service credit per leave of absence period.

Service Leave of Absence

Service leave of absence is time off to work with a college or university; a local, state, federal, or foreign government agency; or certain nonprofit organizations.

Members may purchase a maximum of two years of service credit for each service leave. Members must return to CalPERS-covered employment after service leave.

Certification

When a member requests to purchase service credit for a leave of absence, they must include the information for the employer that granted the leave, including the type of leave granted and the start and end dates for the period of the leave of absence. The employer that granted the leave of absence will also need to electronically certify the dates and type of leave. Upon completion, the employer must submit the certification through myCalPERS.

The member can submit a completed request electronically in myCalPERS with all required documentation.

Members should request to purchase service credit early in their career because the cost will be lower, and they can pay off their lump sum balance in full prior to their retirement to maximize their benefit increase. All elections to purchase service credit must be received prior to retirement. Refer employees to the Installment Payment Guidelines (PDF) for specific payment options.

Credit for Absence From Employment for Military Service

Gov. Code section 20997(e) states in relevant part "Within 30 days of the member's return to state service, the employer shall inform the member of his or her rights pursuant to this section, and provide the employee with the form provided pursuant to subdivision (f)." This provides a member who's absence from employment for military service may be eligible to receive service credit for the absence at the employer's cost. You do not need to amend your contract for this benefit. If the member is not eligible to receive the service credit at the employer's cost, the member may be eligible to purchase the service credit at the member's cost (Gov. Code section 20991).

To be eligible for this service credit (at the employer's or member's cost) the member must have:

1. Been in the employment of a CalPERS-covered agency prior to entering military service
2. Been granted military leave or have resigned from employment for the purpose of entering active duty in military service
3. Entered active duty within 90 days after leaving agency employment
4. Returned to CalPERS-covered employment after being discharged from active-duty military service

CalPERS will determine the member's eligibility and whether there is a member cost associated with the military leave of absence service credit.

For more information on military leave of absence, refer to A Guide to Your CalPERS Military Service Credit Options (PUB 15) (PDF) or visit our Service Credit webpage.

Alternate Retirement Program (ARP)

If the member was previously employed by the State of California as a new first-time state miscellaneous or industrial employee hired on August 11, 2004, through June 30, 2013, and did not elect to transfer their ARP contributions from their ARP account to CalPERS to receive retirement service credit for the time the member was enrolled in ARP, the member remains eligible to purchase the ARP time from CalPERS in the future. If the member decides to purchase this service in the future, the service will be calculated at a present value cost.

Layoff, Prior Service, and Optional Member Service

Layoff

Gov. Code section 21022 allows certain local members, under specified conditions, to purchase service credit for a period of unemployment resulting from a formal layoff. The section only applies when a member previously laid off is then rehired by the same public agency and only when the public agency has contracted for this provision. No similar provision exists for state and school employees.

Prior Service

Prior service is service rendered before the date of the contract between a public agency and CalPERS or for service rendered before the effective date, contract exclusion is removed, pursuant to Gov. Code section 20503, for those in previously excluded classes.

If included in the agency's contract, the cost of prior service is an expense of the agency where the member rendered the prior service. The cost of the prior service liability is included in your rate of contribution.

Public agencies may amend their contract to allow members to purchase prior service that is not provided at employer cost (Gov. Code section 21031).

Exception – Local System

A former member of the local retirement system who withdrew any contributions prior to the effective date of that agency's contract with this system is entitled to credit for the service upon which those contributions were made, if they elect to deposit any of those withdrawn contributions with this system under the terms and conditions specified in Gov. Code sections 20750, 20531, and 20972.

Optional Member Service

Optional member service is service rendered prior to membership in certain exempt, appointed, or elected positions that allow employees the option of joining CalPERS. Employees can purchase service credit for optional member service if they are (or elect to become, if eligible) a CalPERS member.

Employees cannot purchase credit for optional member service if the position held is ineligible due to law or the employer's CalPERS contract.

The following employees are considered rendering optional member service:

- A state employee who was appointed by the governor, lieutenant governor, attorney general, controller, secretary of state, treasurer, or superintendent of public instruction and is exempt from civil service.
- Some officials elected or appointed to a fixed term of office with a city or county and elected officials of the state or a contracting agency. This may include city attorneys, assistant city attorneys, and elected/appointed officials of schools and contracting agencies; however, eligibility is determined by the dates of their term of office.
- An employee of the California State Senate or Assembly whose wages are paid from funds controlled by either body.

Employees must be in one of the above positions on the date they request their cost information, and they must elect CalPERS membership before or at the same time the credit is elected. There are no limitations on the amount of service credit that can be purchased.

Employees who are CalPERS members, but no longer in an optional member service position, may be eligible to purchase credit for their past service under the Service Prior to Membership service credit type.

Certification

When a member requests to purchase Prior Service, Optional Member Service, or Layoff credit through myCalPERS, they must indicate their period of employment. The request will be sent to the employer for certification. The employer must follow the directions provided online to complete the required pay period detail information, per pay period, and submit the completed certification electronically.

Contract Exclusions

If the requested employment is excluded by the employer's CalPERS contract, the purchase of this service credit is not possible. If the exclusion was removed or superseded by law after the employment was rendered, service credit rights would depend on the Gov. Code provisions under which the exclusion was removed.

Payment Methods

At any time prior to retirement, a member may elect to make contributions for an eligible service credit purchase. If a member elects a cash lump-sum payment, no notification will be sent to the employer.

If a member elects to purchase service credit with installment payments, upon approval, CalPERS will send the current employer an authorization for payroll deductions. No deductions should be made until the authorization form is received.

You must begin the payroll deductions authorized on the effective date and continue until payments are completed or the employee separates from employment. In the event an employee is making installment payments and permanently separates from employment, they will receive a permanent separation payoff packet. The payoff packet will be generated once the employer keys the separation date.

Upon a retirement application being submitted, a retired payoff packet will be generated. The payment options available at retirement are dependent upon the date CalPERS receives the completed election to purchase service credit.

Important Considerations When Purchasing Service Credit

The purchase of service credit may impact and/or be subject to the following:

- Community property orders. Refer the member to A Guide to CalPERS Community Property (PUB 38A) (PDF, 2.4 MB).
- Social Security benefits. Refer the member to their local Social Security office.
- Taxability in retirement. Refer the member to a tax consultant.
- Disability/Industrial Disability retirement. Refer the member to A Guide to Completing Your CalPERS Disability Retirement Election Application (PUB 35) (PDF, 1.2 MB).

Inquiries

Members may obtain most service credit cost information, if eligible, by submitting a service credit purchase request through their myCalPERS account.

To request service credit cost information members should follow these steps:

- Log in to their myCalPERS account
- Go to the **Retirement** tab
- Select **Make A Service Credit Purchase**
- Answer a series of questions to determine which type(s) of service credit they may be eligible for
- Request the cost for any available purchase option(s)

Additionally, your agency may receive requests in myCalPERS to certify employment history and payroll information for members wishing to purchase service credit. If the certification is not provided within 30 days, the member's request will be closed as incomplete, and they will be required to submit a new request.

Compensation Review

General Information for All Reporting Methods

Reportable/Non-Reportable Compensation

All reportable compensation must be pursuant to publicly available pay schedules and labor policy agreements available for public review.

The statutes and regulations governing reportable compensation are outlined in the California Public Employees' Retirement Law (PERL) Government (Gov.) Code sections 20630, 20636, 20636.1, and 7522.34, and the California Code of Regulations (CCR) sections 570, 570.5, 571, and 571.1.

Effective January 1, 2022, Gov. Code section 20164.5 was added to the PERL to provide relief for retired members when their benefits are reduced due to disallowed compensation reported by the employer. Employers are subject to a penalty and are liable for any overpaid and reduced benefits.

Refer to Circular Letter 200-076-21 (PDF) Disallowed Compensation Benefit Adjustments: Senate Bill 278, Chapter 331, Statutes of 2021 for more information.

Compensation (Gov. Code section 20630)

Compensation is broadly defined as the remuneration paid out of funds controlled by the employer in payment for the services performed during normal working hours or for time during which the member is excused from work because of holidays, sick leave, industrial disability leave (payable pursuant to Labor Code sections 4800, 4850 or Education Code sections 44043, 87042), vacation, compensatory time off, or leave of absence.

Employers are to identify and report compensation for the pay period in which the compensation was earned regardless of when paid and shall not exceed compensation earnable.

Workers' Compensation Temporary Disability and Industrial Disability Leave Payments

Labor Code section 4850 contains industrial disability leave provisions for various specified safety members of CalPERS. This pay is reportable to CalPERS. Education Code section 44043 or 87042 contains industrial disability leave provisions for employees of the superintendent of schools. This compensation may also be reported to CalPERS.

Workers' compensation temporary disability payments in lieu of workers' compensation, not pursuant to the above-mentioned laws, are not reportable to CalPERS. However, if a miscellaneous member uses accrued leave credits such as vacation, sick leave, or compensated time off (CTO), the compensation attributable to the used leave credits is reportable to CalPERS.

Compensation Earnable (Gov. Code sections 20636 and 20636.1)

Compensation earnable is the pay rate and special compensation of the member as defined by sub-sections (b), (c), and (g), and as limited by Gov. Code section 21752.5.

Pay Rate (Gov. Code sections 20636(b) and 20636.1(b))

Pay rate is broadly defined 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 working hours, pursuant to publicly available pay schedules. For classified school 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.

Pay rate 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 Gov. Code section 20636, paragraph (2) of subsection (e).

Full-Time Employment

Public Agencies

Public Agency employers have the flexibility to define the normal work period for full-time employment, provided it meets the minimum thresholds established under CCR section 574(b). For purposes of CalPERS membership eligibility, reporting overtime positions, and determining compensation earnable and pensionable compensation, full-time employment is defined as a minimum of:

- 34 hours per calendar week
- 67 hours bi-weekly
- 72 hours semi-monthly
- 133 hours quadri-weekly, or
- 144 hours monthly

Employers must notify CalPERS of the normal work period they consider full-time, ensuring it applies uniformly to all employees within the same group or class of employment.

School Employers

For classified school employees, full-time employment is specifically defined as 40 hours per week under CCR section 574(c). Payments for services rendered, not exceeding 40 hours per week, must be reported as compensation earnable, or pensionable compensation for all months in which work is performed. Employers are required to report the classified member's full-time equivalent (FTE) pay rate using one of the following methods:

- **Hourly FTE Payrate:** Calculated by dividing the annual base salary by the number of work days per year, then dividing the result by the number of hours in a work day.
- **Daily FTE Payrate:** Calculated by dividing the annual base salary by the number of work days per year, dividing the result by the number of hours in a work day, then multiplying the result by 8.
- **Monthly FTE Payrate:** Calculated by dividing the annual base salary by the number of work days per year, dividing the result by the number of hours in a work day, then multiplying the result by the product of $52 \times 40 \div 12$.

This definition ensures consistency in reporting compensation for classified school employees, excluding overtime and compensation based on overtime. Employers must ensure these FTE payrates are calculated to the nearest cent and include compensated time for holidays, sick leave, industrial disability leave, vacation, compensatory time off, and other approved leaves of absence. Refer to Circular Letter 200-003-25.

Group or Class of Employment (Gov. Code sections 20636(e)(1-2) and 20636.1(e)(1-2))

Group or class of employment means several employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical work-related grouping. One employee may not be considered a group or class.

Increases in compensation earnable granted to an employee who is not in a group or class shall be limited (during the final compensation period and the preceding two years) to the average of the increases in compensation earnable during the same period reported by the employer for all employees in the same membership classification.

Requirements for a Publicly Available Pay Schedule (CCR sections 570.5 and 571.1)

This regulation requires each pay schedule meet the following requirements:

- Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meeting laws.

- Identifies the position title for every employee position.
- Shows the pay rate for each position, which may be stated as a single amount or multiple amounts within a range.
- Indicates the time base for each pay rate, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually.
- Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or on the employer's website.
- Indicates an effective date and date of any revisions.
- Is retained by the employer and available for public inspection for not less than five years.

This regulation also contains criteria for ensuring the pay schedule is publicly available and does not permit a reference to another document in lieu of disclosing the pay rate. Further, the regulation clarifies compensation earnable will be limited to the amount listed on a pay schedule, meeting all the established criteria and identifies how a pay rate may be determined if an employer fails to meet the requirements.

Refer to Circular Letter 200-003-20 (PDF), Statutory and Regulatory Requirements for Publicly Available Pay Schedules.

Special Compensation (Gov. Code section 20636(c) (1-7))

Special compensation is payment received for special skills, knowledge, abilities, work assignments, workdays or hours, or other work conditions.

Special compensation shall be limited to that which is received by a member pursuant to a labor policy or agreement to similarly situated members of a group or class of employment and is reported in addition to and separately from the pay rate.

Special compensation shall be for services rendered during normal working hours. When reporting special compensation, the employer must:

- Identify the pay period in which the special compensation was earned, regardless of when paid.
- Identify each type and category of special compensation.

Special compensation is delineated specifically and exclusively in the regulations adopted in CCR section 571(a) and (b). Subsection (b) specifies the standards all special compensation items must meet.

Only those items listed in CCR section 571(a) and meeting all criteria listed in subsection (b) may be reported to CalPERS.

CCR Section 571(a) — Definition of Special Compensation

The following list exclusively identifies and defines special compensation items that must be reported to CalPERS if they are contained in a written labor policy or agreement.

Incentive Pay

Bonus — Compensation to employees for superior performance, such as an annual performance bonus and merit pay. A program or system must be in place to plan and identify performance goals and

objectives. If provided only during a member's final compensation period, it shall be excluded from the final compensation as final settlement pay (excluded for PEPRA members).

Dictation/Shorthand/Typing Premium — Compensation to clerical employees for shorthand, dictation, or typing at a specified speed.

Longevity Pay — Additional compensation to employees who have been with an employer, or in a specified job classification, for a certain minimum period exceeding five years.

Management Incentive Pay — Compensation granted to management employees in the form of additional time off or extra pay due to the unique nature of their job. Employees within the group cannot have the option to take time off or receive extra pay. This compensation must be reported periodically as earned and must be for duties performed during normal work hours. This compensation cannot be for overtime or in lieu of other benefits excluded under the statutes, nor for special compensation not otherwise listed in section 571 (excluded for PEPRA members).

Marksmanship Pay — Compensation to local police officers, county peace officers, and school police or security officers who meet an established criterion such as certification as a marksperson.

Master Police Officer — Compensation to local police officers, county peace officers, and school police or security officers who meet specified requirements, years of employment, performance standards, education, Peace Officer Standard Training (POST), and perform a specialty assignment.

Physical Fitness Program — Compensation to local safety members and school security officers who meet an established physical fitness criterion.

Value of Employer-Paid Member Contributions (EPMC) — The full monetary value of employer paid member contributions (EPMC) paid to CalPERS and reported as an item of special compensation on behalf of all members in a group or class (excluded for PEPRA members).

The value of EPMC is calculated on all compensation earnable excluding the special compensation of the monetary value of EPMC paid to CalPERS by the employer under Gov. Code section 20636(c)(4) thus eliminating a perpetual calculation.

A. A resolution or ordinance of the governing body must be provided to CalPERS indicating the group or class, effective date, and the percent or amount of EPMC being paid and reported as an item of special compensation. The resolution or ordinance must be formally adopted by the employer's governing body and submitted to CalPERS for review and approval.
B. The resolution or ordinance must specify the value of EPMC will be reported as an item of special compensation consistently, for all members in the affected group or class of employment — except the employer's governing body may elect a time-in-grade exception which shall only apply to persons newly hired into the pertinent group or class of employment.
C. To be classified as newly hired, a member of the group or class must not have been previously hired or retained by the employer in any capacity whatsoever.
D. The time-in-grade exception must be elected in the same resolution or ordinance, or by amendment thereto, as adopted by the employer's governing body for the purpose of paying and

reporting the value of EPMC, pursuant to this section 571. The exception can only be used for the value of EPMC and not for any other item of special compensation.

1. The time-in-grade exception must be applied consistently to all newly hired employees in the pertinent group or class.
2. The time-in-grade requirement may be incremental, not to exceed a total of five years. For example, the initial requirement may be three years for paying 50% with increases of 25% for each additional year of time-in-grade.
3. Once the initial time-in-grade requirement has been met by a newly hired employee, the employer shall begin paying and reporting the value of EPMC for them to the same extent as for all others in the pertinent group or class.

E. To implement the time-in-grade exception, the employer's governing body must acknowledge it may experience an upward adjustment to its employer contribution rate. The acknowledgment must be included in the resolution or ordinance by which the employer's governing body elected to pay and report EPMC as an item of special compensation, by adoption or amendment thereto.

F. The full terms of the resolution or ordinance by which the employer's governing body elects to pay and report the value of EPMC as an item of special compensation, along with any time-in-grade exception for newly hired employees, must be incorporated into the written labor agreement that pertains to the affected group or class of employment.

The time-in-grade exception from paying and reporting the value of EPMC as an item of special compensation pursuant to CCR section 571, is separate and apart from the time-in-grade exception from paying EPMC pursuant to CCR section 569 of these regulations. Both exceptions are separate and apart from, nor do they apply to, the process for converting EPMC to pay rate during the period of final compensation, pursuant to Gov. Code section 20692.

Off-Salary-Schedule Pay — Compensation in addition to base salary paid in similar lump-sum amounts to a group or class of employees. These payments are routinely negotiated through collective bargaining in lieu of increases to the salary schedule. These payments are based on a similar percent of scheduled salary not to exceed 6% per fiscal year. The contracting agency or school employer may adopt similar action for non-represented groups or classes of employment as were negotiated through collective bargaining.

Educational Pay

The items of special compensation outlined below do not include reimbursement to an employee for the cost of an application or test, books, tuition, or travel.

Applicator's Differential — Compensation to employees who are required to maintain a Qualified Pesticide Applicator's Certificate.

Certified Public Accountant Incentive — Compensation to miscellaneous employees passing an exam and receiving a license as a Certified Public Accountant.

Educational Incentive — Compensation to employees for completing educational courses, certificates, and degrees which enhance their ability to do their job. A program or system must be in place to evaluate and

approve acceptable courses. The cost of education required for the employee's current job classification is not included in this item of special compensation.

Emergency Medical Technician (EMT) Pay — Compensation to safety employees who obtain and maintain an EMT certification.

Engineering Registration Premium — Compensation to engineers who have taken and passed a California engineering proficiency exam and are registered with the State of California.

Government Agency Required Licenses — Compensation to employees receiving and maintaining a license required by government or regulatory agencies to perform their duties.

International Conference of Building Officials (ICBO) Certificate — Compensation to building inspectors who obtain and maintain an ICBO certificate in one or more certified areas.

Mechanical Premium (Brake Adjustment License, SMOG Inspector License) — Compensation to employees who obtain and maintain state-required mechanical licenses.

National Institute of Automotive Service Excellence (NIASE) Certificate — Compensation to mechanics who obtain and maintain a NIASE certificate.

Notary Pay — Compensation to clerical employees who obtain and maintain a notary public certificate from the State of California or are deputized by an agency's chief administrative officer to sign legal or financial documents for the agency.

Paramedic Pay — Compensation to employees who obtain and maintain certification in auxiliary medical techniques.

Peace Officer Standard Training (POST) Certificate Pay — Compensation to local police officers, county peace officers, and school police or security officers who obtain POST certification.

Reading Specialist Premium — Compensation to certificated employees who have obtained special training and provide literacy instruction as part of their teaching duties.

Recertification Bonus — Compensation to local firefighters who obtain and maintain a fire safety and prevention certificate for a specified period of time.

Special Class Driver's License Pay — Compensation to school bus drivers or street maintenance employees who are required to obtain and maintain a special class driver's license to perform their duties.

Undergraduate/Graduate/Doctoral Credit — Compensation to school district employees who are required to obtain a specified degree.

Premium Pay

Temporary Upgrade Pay — Compensation to employees who are required by their employer, or governing board or body, to work in an upgraded position/classification of limited duration (excluded for PEPRA members).

Special Assignment Pay

Accountant Premium — Compensation to rank and file employees who are routinely and consistently responsible for developing the employer's budget.

Administrative Secretary Premium — Compensation to an administrative secretary responsible for coordinating meetings, plans, and other specialized activities for the governing board of the contracting agency or school employer.

Aircraft/Helicopter Pilot Premium — Compensation to safety employees who are routinely and consistently assigned as aircraft/helicopter pilots.

Asphalt Work Premium — Compensation to miscellaneous employees who are routinely and consistently assigned to mix, transport, and/or apply a tar-like substance for sidewalks, roads, roofs, and/or parking lots.

Audio-Visual Premium — Compensation to miscellaneous employees who are routinely and consistently responsible for operating audio-visual equipment.

Auditorium Preparation Premium — Compensation to school employees who are routinely and consistently assigned to prepare auditorium(s), i.e., setting up stages, lighting, props, and chairs for performing arts purposes.

Bilingual Premium — Compensation to employees who are routinely and consistently assigned to positions requiring communication skills in languages other than English.

Branch Assignment Premium — Compensation to employees who are routinely and consistently assigned to a branch office or work site identified as rural or remote in the written labor agreement.

Canine Officer/Animal Premium — Compensation to local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to handle, train, and board a canine or horse. Compensation shall not include veterinarian fees, feed, or other reimbursable expenses for upkeep of the animal.

Cement Finisher Premium — Compensation to miscellaneous employees who are routinely and consistently assigned to finish cement work, e.g., watering, brushing, or surfacing.

Circulation Librarian Premium — Compensation to library staff who are routinely and consistently assigned to the circulation desk of the library.

Computer Operations Premium — Compensation to employees who have special knowledge of computer processes and applications.

Confidential Premium — Compensation to rank and file employees who are routinely and consistently assigned to sensitive positions requiring trust and discretion.

Contract Administrator Coordinator Premium — Compensation to school employees who routinely and consistently coordinate administrative contracts for instruction or facility maintenance.

Crime Scene Investigator Premium — Compensation to local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to analyze and explore a crime scene.

Critical Care Differential Premium — Compensation to nursing staff who are routinely and consistently assigned to critical and intensive medical or psychological care areas.

D.A.R.E. Premium — Compensation to local police officers, county peace officers, and school police or security officers who routinely and consistently provide training to students on drug abuse resistance.

Detective Division Premium — Compensation to local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to a detective or investigative division or intelligence duties.

Detention Services Premium — Compensation to employees who are routinely and consistently assigned to areas where criminally charged persons are confined and nursing staff who are routinely and consistently assigned to an adult facility where criminally charged persons are confined.

Driving Under the Influence (DUI) Traffic Officer Premium — Compensation to local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to enforce DUI of alcohol or drug laws.

Extradition Officer Premium — Compensation to local police officers and county peace officers who are routinely and consistently assigned to return a person to the custody of another jurisdiction.

Fire Inspector Premium — Compensation to fire inspector personnel who are routinely and consistently assigned to inspect buildings and other permanent structures for compliance with governmental safety standards.

Fire Investigator Premium — Compensation to fire investigation personnel who are routinely and consistently assigned to investigate causes of destructive burning.

Fire Prevention Assignment Premium — Compensation to rank and file local firefighters who are routinely and consistently assigned to specific fire inspections and investigative work during normal hours of employment that may differ from the work schedule of fire suppression personnel.

Fire Staff Premium — Compensation to rank and file local firefighters who are routinely and consistently assigned to administrative work during normal hours of employment that may differ from the work schedule of fire suppression personnel.

Flight Time Premium — Compensation to safety employees for time spent as co-pilot or crew on work related air missions.

Float Differential Premium — Compensation for nurses not specifically assigned to a specific station.

Front Desk Assignment (Jail) — Compensation to employees staffing a jail who are routinely and consistently assigned the duty of responding to questions from the public.

Fugitive Officer Premium — Compensation to local police and county peace officers who are routinely and consistently assigned to pursue persons who have or are fleeing from justice.

Gang Detail Assignment Premium — Compensation to local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to enforce laws relating to a group of individuals banded together for unlawful activities.

Grading Assignment Premium — Compensation to employees who are routinely and consistently assigned to inspect the degree of rise or descent of a sloping surface.

Hazard Premium — Compensation to employees who are routinely and consistently exposed to toxic, radioactive, explosive, or other hazardous substances or perform hazardous activities to implement health or safety procedures.

Heavy/Special Equipment Operator — Compensation to employees who are routinely and consistently assigned to operate heavy equipment or specialized equipment.

Height Premium — Compensation to employees who are routinely and consistently required to work on ladders or mechanical devices at heights over 40 feet.

Housing Specialist Premium — Compensation to city housing specialists who are routinely and consistently assigned to perform administrative functions of the housing division.

Juvenile Officer Premium — Compensation to local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to enforce laws that restrict the activities of juveniles.

Lead Worker/Supervisor Premium — Compensation to employees who are routinely and consistently assigned to a lead or supervisory position over other employee's subordinate classifications or agency-sponsored program participants.

Library Reference Desk Premium — Compensation to library staff who are routinely and consistently assigned to provide direction or resources to library patrons.

Maintenance Premiums

Gas Maintenance Premium — Compensation to maintenance employees who are routinely and consistently assigned to inspect gas construction, repair instruments, or perform pipeline welder duties.

Plumber Irrigation System Premium — Compensation to plumbers who are routinely and consistently assigned as irrigation systems plumbing specialists.

Refuse Collector Premium — Compensation to maintenance employees who are routinely and consistently assigned to collect refuse.

Street Lamp Replacement Premium — Compensation to maintenance employees who are routinely and consistently assigned to replace streetlamps from an aerial bucket.

Motor Coach Operator (MCO) Instructor Premium — Compensation to miscellaneous employees who are routinely and consistently assigned to train MCOs, i.e., bus drivers.

Motorcycle Patrol Premium — Compensation to local police officers and county peace officers who are routinely and consistently assigned to operate and/or patrol on a motorcycle.

Mounted Patrol Premium — Compensation to local police officers and county peace officers who are routinely and consistently assigned to patrol on horseback.

Narcotic Division Premium — Compensation to local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to drug enforcement.

Paramedic Coordinator Premium — Compensation to paramedics who are routinely and consistently assigned to coordinate training activities in auxiliary medical techniques.

Park Construction Premium — Compensation to groundskeepers who are routinely and consistently assigned to build park equipment.

Park Maintenance/Equipment Manager Premium — Compensation to park maintenance employees who are routinely and consistently assigned to equipment management and other administrative duties.

Parking Citation Premium — Compensation to employees who are routinely and consistently assigned to read parking meters and cite drivers who have violated parking laws.

Patrol Premium — Compensation to local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to patrol detail.

Police Administrative Officer — Compensation to rank and file police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to police administration to provide support for the police chief and command staff in the operation of the police department.

Police Investigator Premium — Compensation to rank and file local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to analyze crimes or investigate accidents.

Police Liaison Premium — Compensation to rank and file local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to function as a liaison between special persons, groups, or courts and the police/sheriff department.

Police Polygraph Officer — Compensation to local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to administer and interpret polygraph exams.

Police Records Assignment Premium — Compensation to employees who are routinely and consistently assigned to the police records division.

Rangemaster Premium — Compensation to local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to supervise the target range facilities and all related activities.

Refugee Arrival Cleanup Premium — Compensation to employees who are routinely and consistently assigned to cleanup from activities directly related to refugee arrival flights.

Safety Officer Training/Coordinator Premium — Compensation to employees who are routinely and consistently assigned to instruct personnel in safety procedures.

Sandblasting Premium — Compensation to miscellaneous employees who are routinely and consistently assigned to operate sandblasting equipment.

School Yard Premium — Compensation to part time school district employees who are routinely and consistently assigned to supervise students during recreation.

Search Pay Premium — Compensation to employees who are routinely and consistently assigned to search and process prisoners in the induction area of jails.

Severely Disabled Premium — Compensation to school instructional aides who are routinely and consistently assigned to work with severely disabled students.

Sewer Crew Premium — Compensation to laborers who are routinely and consistently assigned to repair and maintain sewer systems.

Shift Differential — Compensation to employees who are routinely and consistently scheduled to work other than a standard daytime shift, e.g., graveyard shift, swing shift, shift change, rotating shift, split shift, or weekends.

Solo Patrol Premium — Compensation to local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to patrol alone in vehicles.

Sprinkler and Backflow Premium — Compensation to groundskeepers who are routinely and consistently assigned to repair large sprinkler head controllers, valves, and backflow prevention devices.

Tiller Premium — Compensation to local firefighters who are routinely and consistently assigned to operate the tiller on an aerial ladder.

Tire Technician Premium — Compensation to equipment attendants who are routinely and consistently assigned to work on heavy-duty tires, e.g., for buses and large construction equipment.

Traffic Detail Premium — Compensation to employees who are routinely and consistently assigned to direct traffic.

Training Premium — Compensation to employees who are routinely and consistently assigned to train employees.

Tree Crew Premium — Compensation to maintenance workers who are routinely and consistently assigned to remove, prune, or otherwise care for trees.

Utility Meter Premium — Compensation to miscellaneous employees who are routinely and consistently assigned to re-read utility meters, repair, or set and install meters.

Utilities Systems Operation Premium — Compensation to maintenance or carpenter employees who are routinely and consistently assigned to planner duties in the maintenance division.

Water Certification Premium — Compensation to miscellaneous employees who are routinely and consistently assigned to test local water quality for compliance with governmental health standards.

Statutory Items

Fair Labor Standards Act (FLSA) — Compensation paid for normal full-time work schedule including premium pay required by FLSA.

For example, a firefighter's normal work schedule is 56 hours per week. FLSA states premium pay must be paid on all hours worked above 53 hours per week up to what is considered normal for employees on a full-time basis.

In this example, the firefighter works 56 hours in a normal work week. In addition to the 56 hours of normal full-time pay, the premium pay component or half time for the three hours of FLSA would be reported separately as special compensation. Any work performed above 56 hours per week would be considered overtime and would not be reported to CalPERS.

Holiday Pay — Additional compensation for employees who are normally required to work on an approved holiday because they work in positions that require scheduled staffing without regard to holidays. If these employees are paid over and above their normal monthly rate of pay for approved holidays, the additional compensation is holiday pay and reportable to CalPERS. The holiday pay and eligible holidays must be listed and outlined, including conditions of payment in a written labor agreement.

For those employees with written labor agreements providing holiday credit and allowing employees to cash out accumulated holiday credit, the cash out must be done at least annually and reported in the earned period. If an employee receives a pay increase during the year in which holiday pay was credited, the holiday pay must be reported based on the pay rate during the earned period.

If a written labor agreement allows an employee to accumulate holiday credit beyond the year in which it is earned, and an employee later elects to cash out accumulated holiday credit, it is not compensation reportable to CalPERS.

If an employee utilizes the cash out option only during their final compensation period, it will be considered final settlement pay and excluded from reportable compensation used in the calculation of their retirement benefit.

The cash out option may still be excluded based upon a review of the contracting agency's or school employer's experience relating to:

- The number of employees in the group with this option.
- The number of employees who exercise this option.
- The frequency with which employees exercise this option.
- Whether or not the cash out is paid periodically and in a manner that is historically consistent.
- Whether or not the cash out would create an unfunded liability over and above CalPERS actuarial assumptions.

This review will be conducted by CalPERS on a case-by-case basis.

Uniform Allowance — Compensation paid or the monetary value for the purchase, rental, and/or maintenance of required clothing, including clothing made from specially designed protective fabrics, which is a ready substitute for personal attire the employee would otherwise have to acquire and maintain. This excludes items that are solely for personal health and safety such as protective vests, pistols, bullets, and safety shoes (excluded for PEPRA members).

For compensation compliance document review, access your employer landing page and select the **Request Compensation Compliance Analysis** left-side navigation link. Follow the prompted instructions to submit your review and documents. Refer to Unit 8, Scenario 3 in the myCalPERS Payroll Reporting (PDF, 4.14 MB) student guide for detailed instructions.

CCR Section 571(b) – Requirements of Special Compensation

The board determined all items of special compensation listed in subsection (a) must be:

1. Contained in a written labor policy or agreement and:
    a. Have been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws.
    b. Indicate the conditions for payment of the item of special compensation, including but not limited to, eligibility for, and amount of, the special compensation.
    c. Posted at the office of the employer and be immediately accessible, and available for public review from the employer during normal business hours or posted on the employer's website.
    d. Indicate an effective date and date of any revisions.
    e. Retained by the employer and available for public inspection for not less than five years.
    f. Do not reference another document in lieu or disclosing the item of special compensation.
2. Available to all members in the group or class.
3. Part of normally required duties.
4. Performed during normal hours of employment.
5. Paid periodically as earned.
6. Historically consistent with prior payments for the job classification.
7. Not paid exclusively in the final compensation period.
8. Not final settlement pay.
9. Not creating an unfunded liability over and above CalPERS actuarial assumptions.

Note: Special compensation items must meet definitions listed in CCR 571(a) as well as all the criteria outlined in CCR 571(b).

CCR Section 571(c)

Only items listed in CCR section 571(a) have been affirmatively determined to be special compensation. All items of special compensation reported to CalPERS will be subject to review for continued conformity with all the standards listed in CCR section 571(b).

CCR Section 571(d)

If an item of special compensation reported for a member is not listed in CCR section 571(a) or is out of compliance with any of the standards in CCR section 571(b) as reported for an individual, it shall not be used to calculate the final compensation for that individual.

Only those items listed in the CCR section 571(a) and meeting the criteria listed in subsection (b) are reportable. If the special compensation item is not included in the exclusive list, it is not reportable for retirement purposes.

Note:

- All special compensation is required to be reported separately from pay rate as special compensation, as it is earned.
- Do not report special compensation prospectively; it must be reported for the pay period in which it was earned.
- Special compensation shall be for services rendered during normal working hours, and the employer shall identify the pay period in which the special compensation was earned.

Special compensation does not include final settlement pay, payments made for additional services rendered outside normal working hours, or any other payments the CalPERS Board of Administration has not affirmatively determined to be special compensation.

Special compensation items must meet the definitions listed in CCR section 571(a) and all the requirements under section (b) to be used in the calculation of retirement benefits.

CCR Section 570 – Final Settlement Pay – Excluded

Final settlement pay means any pay or cash conversions of employee benefits, in excess of compensation earnable, that are granted or awarded to a member relating to or in anticipation of a separation from employment. Final settlement pay is excluded from payroll reporting to CalPERS, in either pay rate or compensation earnable, and may consist of severance pay or golden parachutes.

It may be based on accruals over a period of prior service. It is generally, but not always, paid during the period of final compensation and may be paid in either lump-sum or periodic payments.

Final settlement pay may also take the form of any item of special compensation not listed in CCR section 571, such as a bonus, retroactive adjustment to pay rate, conversion of special compensation to pay rate, or any other method of payroll reported to CalPERS. All forms of final settlement pay are prohibited from being considered special compensation.

Pensionable Compensation (Gov. Code section 7522.34) for New Members (CCR 571.1)

For new members, as defined in Gov. Code section 7522.04(f) pensionable compensation must meet the following four criteria set forth in both Gov. Code section 7522.34(a) and CCR section 571.1(a):

1. Pay is the normal rate of pay or base pay that is earned for normally required duties and historically consistent with prior payments for the job classification.
2. Paid in cash to similarly situated members of the same group or class of employment.

3. Paid for services rendered on a full-time basis during normal working hours.
4. Paid pursuant to publicly available pay schedules.

CCR section 571.1(b) provides an exclusive list and defines the forms of pay the board determined meet the criteria of pensionable compensation for individuals who are considered new members, so long as each of the criteria in CCR section 571.1(a) have been met.

The following forms of compensation are statutory, but have differences from the same items listed in CCR 571(c):

- Fair Labor Standards Act (FLSA): For safety members defined in section 207(k) of Title 29 of the United States Code only. Most miscellaneous employees are excluded.
- Holiday Pay: Only applies to approved holidays listed in a written labor policy that also contains conditions of payment for holiday pay. Holiday pay cannot be credited and used for compensated time off or arbitrary payment. If there is an option for holiday credit, the holiday pay is not reportable for new (PEPRA) members. Holiday pay must be reported as earned. Refer to Circular Letter 200-037-24.

As set forth in CCR section 571.1(c), pensionable compensation for all new members does not include the items explicitly excluded from pensionable compensation under Gov. Code section 7522.34(c).

The following forms of compensation are not reportable for PEPRA members:

- Temporary upgrade pay
- Management incentive pay
- Uniform allowance
- Bonus
- Value of employer paid member contributions (EPMC)
- Off-Salary-Schedule payments
- Fair Labor Standards Act (Limited, refer to the clarification in previous section)
- Holiday pay (Limited, refer to the clarification in previous section)

Refer to Circular Letter 200-064-17 (PDF) Public Employees' Pension Reform Act (PEPRA) of 2013, Adoption of Pensionable Compensation Regulations (Attachment: California Code of Regulations (CCR) section 571.1 (PDF)). The purpose of this Circular Letter is to inform CalPERS-covered employers of the adoption of section 571.1 to title 2 of the CCR, which further clarifies what CalPERS considers to be pensionable compensation as defined in Gov. Code section 7522.34. This Circular Letter supersedes and replaces Circular Letter 200-062-12 dated December 27, 2012, as it applies to pensionable compensation.

Employers Paying Member Contributions

The statutes and regulations for paying and reporting member contributions are Gov. Code sections 20636, 20691, and 20692; CCR sections 566.1, 569, and 571; and Internal Revenue Code (IRC) section 414(h)(2).

There are six provisions for paying and reporting member contributions. On the following pages, each provision is briefly described and includes the requirements for implementation (e.g., resolution) and links to sample resolutions. These samples can also be found under Forms & Publications on our website.

To implement a change or eliminate one or more of these optional provisions, a resolution must be completed, and a copy submitted to:

CalPERS
Pension Contracts and Prefunding Programs Division
Pension Contract Services
P.O. Box 1652
Sacramento, CA 95812-1652

Employer Paid Member Contributions (EPMC)

Gov. Code section 20691 provides for a contracting public agency or school employer to pay all, or a portion of the normal contributions required to be paid by members of a group or class. This is called employer paid member contributions .

If an individual is not part of a group or class, your agency must pay EPMC for the closest related group or class in order to pay EPMC for the individual. Determinations for a group of one and the closest related group are made on a case-by-case basis by the CalPERS Employer Account Management Division, Compensation Compliance & Review Unit.

Agencies that wish to modify EPMC for classic members may do so under existing law through collective bargaining and contract amendments. Existing PERL statutes allow employers to periodically increase, reduce, or eliminate EPMC.

PEPRA prohibits EPMC for new members employed by public agencies, state employers, school employers, the judicial branch, or California State University (CSU), unless an employer's existing MOU would be impaired by this restriction. It is each employer's responsibility to determine if an MOU would be impaired by this restriction on EPMC for new members. The impaired MOU must have an effective date of January 1, 2013, or earlier.

Note: Refer to the General Membership section of this guide for the definition of a new member under PEPRA.

Payroll will error in myCalPERS if EPMC is reported for a new member.

To elect EPMC, your agency's governing body must adopt a resolution (refer to Resolution for Employer Paid Member Contributions (DOCX)).

EPMC with Time-in-Grade Exceptions

Pursuant to CCR section 569, the payment of EPMC within the applicable group or class may include a cumulative time-in-grade exception for newly hired employees upon the election by the contracting agency or school employer.

To elect the time-in-grade exception, your agency's governing body must adopt a resolution (refer to Resolution for Employer Paid Member Contributions With Time-in-Grade Exceptions (DOCX)) or ordinance specifying the time-in-grade schedule and group or class involved. The time-in-grade exception cannot take effect until after the resolution or ordinance has been reviewed and approved by CalPERS.

To be classified as newly hired, a member of the group or class must not have been previously hired or retained by your agency in any capacity.

Paying and Reporting the Value of EPMC as Special Compensation

Effective July 1, 1994, under Gov. Code section 20636(c) and CCR section 571(a)(1), you have the option of reporting the value of EPMC to CalPERS as special compensation. This provision must be adopted and applied equally to everyone in a group or class of employment.

If an individual is not part of a group or class, you must pay and report the value of EPMC for the closest related group for the individual. Determinations for a group of one and the closest related group are made on a case-by-case basis by the CalPERS Employer Account Management Division, Compensation Compliance & Review Unit.

Should you decide to report the value of EPMC, it must comply with the following criteria:

- Each written labor policy or agreement must acknowledge the fact you are paying and reporting the value of EPMC for everyone in the group or class.
- The governing board must pass a resolution utilizing language like the Resolution for Paying and Reporting the Value of Employer Paid Member Contributions (DOCX).
- The resolution must be sent to the CalPERS Pension Contracts and Prefunding Programs Division and written confirmation of compliance will be returned to you.
- The amount (percent) of EPMC being paid by your agency is the value (amount) that must be reported as special compensation.
- The value of EPMC must be reported on all compensation (i.e., pay rate and special compensation). Do not report the value of EPMC on the value of EPMC under Gov. Code section 20636(c)(4). This avoids the perpetual loop of reporting the value of EPMC on the previous value of EPMC.

Note: School districts may negotiate for this provision on a district-by-district basis. It does not have to apply to all districts under the County Office of Education.

Reporting the value of EPMC should not affect the calculations you make for overtime or other special payments employees receive as a factor of base salary. Reporting the value of EPMC is not subject to state and federal income taxes, or Social Security and Medicare taxes. However, since there is no case or ruling directly related to Social Security and Medicare, affected employers should consider seeking a ruling from the Internal Revenue Service (IRS) on this issue.

The cost of reporting the value of EPMC will be an increase in your employer and employee contributions due to the increased earnings reported. There could also be an increase in your employer's rate, similar to increases associated with comparable pay rate increases for groups of employees. The cost for this

provision is expected to be the same as the cost of converting EPMC to salary in the final compensation period.

Paying and Reporting the Value of EPMC With Time-in-Grade

Under the CCR section 571 regulation, you may implement a cumulative time-in-grade exception for newly hired employees for contracting agency or school employers to pay and report the value of EPMC as an item of special compensation within the pertinent group or class. To elect the time-in-grade exception, your agency's governing body must adopt a resolution (refer to Resolution for Paying and Reporting the Value of Employer Paid Member Contributions With Time-in-Grade Exception (DOCX)) specifying the time-in-grade schedule and the group or class involved.

The time-in-grade exception cannot take effect until after the resolution has been reviewed and approved by CalPERS. To be classified as newly hired, a member of the group or class must not have been previously hired or retained by the employer in **any** capacity.

Converting EPMC to Pay Rate in the Final Compensation Period

The conversion of EPMC to pay rate in an employee's final compensation period is the only conversion provision allowed in the PERL. To contract for this provision, you must have a resolution on file for EPMC. This provision must be adopted and applied equally to everyone in a group or class of employment.

If an individual is not part of a group or class, you must adopt this provision for the closest related group or class to convert EPMC to pay rate for the individual. Determinations for a group of one and the closest related group are made on a case-by-case basis by the CalPERS Employer Account Management Division, Compensation Compliance & Review Unit.

Gov. Code section 20692

This section was made effective July 1, 1994, and provides: (a) Where a contracting agency employer or a school employer has elected to pay all or a portion of the normal contributions of members of a group or class of employment pursuant to Gov. Code section 20691, the employer may, pursuant to a labor policy or agreement, stop paying those contributions during the final compensation period applicable to the members and, instead, increase the pay rate of the members by an amount equal to the normal contributions paid by the employer on behalf of the employees in the pay period immediately prior to the final compensation period or increase the pay rate of the members by an amount established by a labor policy or agreement in existence and in effect on June 30, 1993. That amount shall not exceed the amount of the normal member contributions required to be paid by the members.

Request a valuation from the CalPERS Pension Contracts and Prefunding Programs Division and follow the contract amendment procedures for this provision. For more information on requesting a valuation, refer to the Contract Coverage section.

After you amend your contract with CalPERS to provide this conversion, the new employer rate is effective the same day the amendment is effective. All employees in a group or class must be treated the same and there can be no election on the part of individual employees to convert EPMC to a pay rate in the final

compensation period. The conversion would be allowed from the effective date of the contract amendment and cannot be reported prior to the contract amendment's effective date.

Should you decide to stop paying members' contributions in the final compensation period and instead increase the pay rate by an equal amount, you would need to comply with the following:

- Include the provision in each written labor policy or agreement adopting this provision. The amount of EPMC converted to pay rate must be the same amount (percent) of EPMC being paid by the employer unless there is a written labor agreement still in effect that was adopted prior to June 30, 1993, allowing the conversion of a smaller amount of EPMC than what is being paid.
- Stop paying the members' contribution in the final compensation period, which must be immediately preceding the 12- or 36-month period prior to the retirement date and give a pay increase for all purposes. This is not just reporting the value of EPMC in the final compensation period.
- The conversion of EPMC must be on all compensation (i.e., pay rate and special compensation).

If an employee only gives two weeks' notice of retirement, you must retroactively adjust and report payroll for the conversion in the full final compensation period (for any final compensation period after the effective date of the contract amendment). If an employee cancels a retirement date, you must reverse the entries for the conversion and commence the conversion again in the new final compensation period.

Note: Individual school districts cannot amend this provision. All districts in a County Office of Education must amend for this provision by passing a resolution. After all districts have passed a resolution, the County Office of Education may amend its contract to convert EPMC to pay rate in the final compensation period.

For more information or questions, refer to CCR section 566.1 or contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

Tax-Deferred Member-Paid Contributions Internal Revenue Code section 414(h)(2)

A benefit employers can provide to their employees at **no cost** to the employer or employee is Internal Revenue Code (IRC) section 414(h)(2), commonly referred to as employer pick-up.

Under this provision, employees pay their own member contributions from reportable compensation and defer state and federal income taxes on the member contributions. Employer Pick-Up allows employee contributions to be treated as employer contributions for federal and state tax purposes, thus lowering the employees' taxable gross income.

The amount reported to the IRS is reportable compensation less the member contributions.

Federal and state taxes on contributions are postponed until distribution either through a retirement allowance or a lump-sum payment (refund).

All supplemental pay based upon employees' salary (i.e., overtime) will be computed on the employee's original gross salary (base pay including the member contributions). There is no increase in the member's

pay rate reported to CalPERS when reporting tax-deferred member contributions under IRC section 414(h)(2). For more information on IRC section 414(h)(2), visit the IRS website.

To implement this provision, your agency's duly authorized board of trustees must adopt the appropriate resolution for the affected group or class of employees (refer to Resolution for Employer Pick-Up (DOCX)). Once the resolution is adopted, contributions for all employees in the affected group or class must be reported to CalPERS on a tax-deferred basis. Employees may not elect Employer Pick-Up on an individual basis.

Copies of all resolutions for member contributions should be sent to:

CalPERS
Pension Contracts and Prefunding Programs Division
Pension Contract Services
P.O. Box 1652
Sacramento, CA 95812-1652
For more information, contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

Pre-Tax Payroll Deduction Plan (also known as Plan) for Service Credit Purchase(s)

By filing an Employer Resolution for Tax Deferred Payroll Deduction Plan for Service Credit Purchases (DOCX) with CalPERS, your agency is allowed to extend the pick-up of member contributions under IRC section 414(h)(2) provisions for member payments by payroll deductions for service credit purchases. Agencies opting to participate in this pick-up program provide their employees, who elect to participate, with the benefit of deferring income tax liability on member service credit purchases.

County Superintendents of Schools are only required to submit one resolution which will cover all the districts/units within that superintendent's jurisdiction. The effective date for commencement of the Plan cannot be any earlier than the date the completed resolution and the completed Readiness to Report form are received and approved by CalPERS.

Plan Restrictions/Requirements – Employer

You must complete, obtain your governing body's approval, and submit a resolution in myCalPERS for Tax-Deferred Service Credit Purchases. The resolution will allow your employees to participate in the Plan.

Follow this path in myCalPERS to submit the resolution: Profile>Retirement Contract>Employer Resolutions>Written Labor Agreements; then select **Add New** and the resolution for Tax-Deferred Service Credit Purchases.

- The wording of the resolution cannot be altered.
- The resolution applies to all employees in the specified member category or categories.
- Upon receipt of an approval letter from CalPERS, your agency must also complete the Readiness to Report form. This form certifies your payroll system can concurrently report both after-tax (taxed) and pre-tax (tax-deferred) payroll deductions for any employee with multiple service credit elections.

- Pre-tax payroll deductions must not be reported until the member has elected the Plan. For each electing member, CalPERS will send a payroll deduction authorization form specifying their effective date of pre-tax reporting. IRS does not allow retroactive deductions.
- Your agency is responsible for reducing the taxable income of a member by the pre-tax payroll deduction amount.
- Pre-tax deductions will be completed through the payroll reporting process. Contributions should be reported in the tax-deferred member contribution fields instead of the normal member contribution fields.
- If an employee has more than one service credit purchase authorization, each authorization must be reported as a separate entry.
- Overpayments must be reported as negative adjustments through the payroll reporting process. Your agency will be responsible for returning such funds to the member as taxable income.
- Your agency is responsible for all payroll corrections (including W-2 reporting) for the member.
- Your agency will report payroll deductions for service credit purchases for members who choose not to elect the Plan on an after-tax basis.
- Once the Plan resolution is adopted, it is irrevocable.

Plan Restrictions/Requirements – Member

1. Upon approval of the employer/CalPERS resolution, the member has the option to file a binding irrevocable election with CalPERS to elect the Plan for each type of service credit purchase.
2. Members with an existing after-tax receivable who are not within 90 days of retirement or do not have a delinquent status on their receivable account will be notified by CalPERS of their opportunity to elect the Plan.
3. Members requesting service credit purchase(s) will be provided the pre-tax election opportunity (if the employer is a Plan participant and the member's membership category or categories are covered under the resolution) with their cost information letter.
4. The Plan amount and time period is irrevocable and cannot be adjusted or discontinued at any time during the payroll deduction schedule.
5. The deductions are member contributions and are subject to income taxes when received by the member as either a retirement benefit or a refund.
6. A member who elects the Plan deductions and then changes employers will automatically continue pre-tax payroll deduction payments if the new employer is a Plan participant. If the new employer does not have a pre-tax resolution on file with CalPERS, the deductions will be taken on an after-tax basis.
7. A member who elects the Plan is not allowed to make changes to their payment schedule, such as additional direct cash payments (i.e., lump sum, partial payments, or increased scheduled payments).
8. A member who elects the Plan and terminates employment will be given the option to pay the lump-sum balance or continue payments on an after-tax basis through direct payments to CalPERS.

9. A member who elects the Plan and retires may request to pay the lump sum balance prior to retirement. If no request is made, payments will continue through retirement allowance deductions as after-tax deductions.
10. Electing the Plan will reduce the taxable gross and may lower the amount the member can contribute to a defined contribution plan. It is the member's responsibility to determine the potential impact prior to electing the Plan.
11. Once pre-tax deductions are elected, it is irrevocable unless numbers six (6), eight (8), or nine (9) above applies.

For more information contact:

CalPERS
Member Account Management Division
Service Credit Costing and Elections Units
P.O. Box 942704
Sacramento, CA 94229-2704
Or contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

Compensation Limits

Compensation Limits - IRC section 401(a)(17)

Section 401(a)(17) of the Internal Revenue Code (IRC) provides dollar limitations on annual compensation that can be considered under qualified retirement plans. Below are the steps for reporting a member who has reached the limit. CalPERS notifies all employers of the new limits each year in January via Circular Letter. myCalPERS automatically tracks the compensation limit.

The compensation limit is only applicable to persons who first became members or participants of CalPERS with a membership date on or after July 1, 1996.

For members subject to the limit, their final compensation will be capped at the limit in effect for each consecutive 12-month period used to calculate their allowance if they were to retire. The determination of compensation for each 12-month period shall be subject to the annual compensation in effect for the calendar year (January-December), in which the 12-month period begins.

For example, the 2026 compensation limit for classic members is $360,000. Therefore, the member should not make contributions on compensation earnable exceeding the $360,000 limit within the 2026 calendar year. The earnings mentioned are those reportable to CalPERS, which exclude compensation for overtime, automobile allowances, lump-sum payouts, etc. The compensation limit does **not** limit the salary an employer can pay an employee who is a CalPERS member.

myCalPERS tracks the reportable compensation and will display an exception message as employees approach the annual compensation limit. Once the compensation limit is reached, an error message will display prompting you to not report member contributions for earnings in excess of the compensation limit. The end date of the payroll earned period determines which calendar year the period falls.

You must continue to report the full-time pay rate, reportable earnings, and special compensation, if applicable, but not the member or employer contributions for the earned periods remaining in the calendar year. Reporting the earnings allows the employee to continue earning service credit without making contributions on compensation exceeding the limit. If a member has a service credit purchase (SCP) on file, continue to report SCP deductions even after the compensation limit has been reached, as SCP contributions are not included as part of the compensation limit.

If an employee's pay rate increases after the time you cease reporting contributions, report the higher pay rate and earnings on your earned period report.

Once the calendar year is over, myCalPERS will prompt you to report contributions for the employee and begin the monitoring for the new calendar year.

Public Employees' Pension Reform Act (PEPRA) of 2013 – Compensation Limits

PEPRA mandated all new members be subject to annual compensation limits, which differ from the limits set for classic members. PEPRA member compensation limits were effective January 1, 2013. Adjustments to the limits are permitted annually based on changes to the U.S. Bureau of Statistics' Consumer Price Index for All Urban Consumers.

PEPRA Compensation Limits

- New Member with Social Security
  - $159,733 (100% of the 2026 Social Security contribution and benefit base)
- New Member without Social Security
  - $191,679 (120% of the 2026 Social Security contribution and benefit base)

Note: Refer to the Membership section of this guide for the definition of a new member under PEPRA.

You must report full-time pay rate, reportable earnings, and special compensation, if applicable, for all members in myCalPERS. myCalPERS tracks the reportable compensation and will display an exception message as employees approach the annual compensation limit. Once the compensation limit is reached, an error message will display, prompting you not to report member contributions for earnings in excess of the compensation limit. The end date of the payroll earned period determines which calendar year the period falls. Member and employer contributions must stop when the member's compensation reaches the compensation limit outlined above. If a member has a SCP on file, continue to report SCP deductions even after the compensation limit has been reached, as SCP contributions are not included as part of the compensation limit.

This does not necessitate a change to your file formatting structure; rather, it is related to how your agency tracks and reports payroll contributions. Reporting up to the compensation limit for PEPRA members will be the same as classic members subject to the IRC section 401(a)(17) limit.

PEPRA requires the CalPERS Board to define excessive compensation as a significant increase in actuarial liability due to increased compensation paid to a non-represented employee and further directs the board to implement program changes to ensure a public agency creating a significant increase in actuarial liability bears the increased cost associated with that liability.

Note: It is expected that two payroll records are reported separately when a member has reached the compensation limit in the middle of an earned period. Refer to Unit 4, Scenario 9 in the myCalPERS Payroll Reporting (PDF, 4.14 MB) student guide for additional instructions.

Payroll Reporting Procedures

Payroll Reporting

As a CalPERS contracting agency, you must submit specific information about each employee to CalPERS in the form of a payroll report. Government (Gov.) Code sections 20120-20124 require payroll to be submitted by contracting agencies.

Accurately Reporting Payroll

CalPERS retirement benefits are funded by contributions paid by contracting employers, member contributions, and earnings from CalPERS investments.

Your responsibility is to ensure your employees are enrolled and reported accurately and timely to ensure correct benefit payments.

Eligible employees must be enrolled in CalPERS membership within 90 days of hire. If not, your agency will be responsible for:

- Employee and employer retirement contributions for the time in violation
- A $500 administrative cost per person

Issues Resulting from Inaccurate Payroll Reporting

CalPERS needs timely and accurate payroll information to correctly calculate your employees' service credit and final compensation for retirement benefits. If you report incorrect pay rates and earnings for your employees, this may cause:

- Service credit accrual discrepancies
- Service credit inaccuracies
- Delays in member retirement processing
- Inaccurate retirement estimates
- Incorrect payment of benefits
- A $200 delinquency fee for late payroll reporting (California Code of Regulations (CCR) 565.3)

Payroll Record Information

The payroll record is the most common record type. It contains information about an employee's earnings, contributions, and other pertinent information. Required fields on the payroll record include:

- Transaction type*
- Appointment*
- Pay rate type* (i.e., hourly, daily, or monthly)
- Pay rate*
- Reportable earnings*

- Scheduled full-time hours per week* (required for all pay rate types)
- Scheduled full-time days per week* (only applicable for the daily pay rate type)
- Total hours worked* (required only if employee is a retired annuitant)
- Special compensation
- Member contribution amounts (such as taxed member paid, tax deferred member paid, and tax deferred employer paid member contributions)

*Items required when reporting for retired annuitants.

Transaction Type

Each payroll record will have one of the following transaction types to describe the type of contribution, deduction, or adjustment being reported:

- Earned Period Reporting – Current earned period contribution/deduction payroll record
- Prior Period Adjustment – Adjustment to prior period payroll record
- Earned Period No Contribution and No Service – Earned period payroll record for a retired annuitant, local alternate retirement plan (Gov. Code 20306) member and overtime positions
- Prior Period No Contribution and No Service – Adjustment to prior period payroll record for a retired annuitant, local alternate retirement plan member and overtime positions
- Retroactive Salary Adjustment – To report a salary increase covering a single or multiple earned period(s)
- Retroactive Special Compensation Adjustment – To report special compensation covering a single or multiple earned period(s)

Appointment

Information about each of the employee's appointments, including the CalPERS ID, appointment date, and associated member category, is required. Detailed information about appointments is outlined in the *Appointment Overview* section of the *Membership* chapter of this guide.

Pay Rate Type

This denotes the pay rate type for paying employees either an hourly, daily, or monthly amount.

Pay Rate

Pay rate is the normal full-time 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. It can be an hourly, daily, or monthly rate.

Note: When submitting a payroll record, always use the member's full-time pay rate. If a pay rate has increased in the middle of an earned period, split the record into two records so the days reported are reflective of the pay rate and earnings.

The pay rate must be a positive numeric value. CalPERS requires the pay rate to be reported with **two places** after the decimal.

For example:

- An hourly rate of $8.70 would be reported as 8.70
- A daily rate of $60.00 would be reported as 60.00

For further information on reporting pay rates, refer to the Pay Rate & Earnings Relationship section later in this chapter.

Reportable Earnings

Employees' earnings represent compensation earned during normal working hours. When you report earnings, you must identify the earned period in which the employee earned the compensation, regardless of when you pay the compensation or report it to CalPERS. This is true for regular earnings and special compensation payroll entries.

In addition, earnings generate service credit and are crucial to the retirement calculation. If earnings are incorrectly reported on payroll, you will have to make adjustments to ensure your employees receive the correct retirement allowance.

Scheduled Full-Time Hours per Week

This denotes the number of hours per week to be considered full time for the position reported and is required for all pay rate types. CalPERS considers full-time employment a minimum of 34 hours per week. For classified school members, Gov. Code 20636.1 states full-time employment is 40 hours per week. Refer to the Pay Rate and Earnings Relationship section in this chapter for more information.

Scheduled Full-Time Days per Week

This denotes the number of days per week to be considered full time for the position reported and is required for the daily pay rate type.

Total Hours Worked

This information is required only if the employee is a retired annuitant. Reporting total hours worked notes the total number of hours an employee works during the specified earned period.

Special Compensation

There are over 100 types of special compensation that fall within one of the five following special compensation categories:

- Educational Pay
- Incentive Pay
- Premium Pay (classic only)
- Special Assignment Pay
- Statutory Items

You will add or delete each special compensation type and amount to an applicable employee's payroll record. In addition, an employee's payroll record may contain multiple categories and types of special compensation. Each special compensation item should be separated into its own line item. Do not combine special compensation. Special compensation should never be included in pay rate and earnings.

Special compensation should always be reported in the earned period in which it was earned, regardless of when it was paid to the employee.

Contribution Amounts

Employee contributions are a percentage of your employees' earnings reported to CalPERS to fund their retirement benefits. This percentage is based on the group or class of employees, the retirement benefit formula, and other options in your contract. You must report and submit employee contributions to CalPERS on behalf of each employee.

Public Employees' Pension Reform Act (PEPRA) of 2013 – Elimination of Off-Sets (also known as OASDI and Social Security Modification)

Prior to PEPRA, local public agency and California State University (CSU) employers did not collect CalPERS employee contributions on the first one-third of a member's payroll up to $400 and $513 per month, respectively. This resulted in local public agency and CSU employees with coordinated service (paid Social Security taxes) experiencing a one-time adjustment of $133.33 to the final compensation factor used to calculate their pension.

PEPRA eliminates the contribution and offset adjustments to the final compensation factor for all employees of local public agencies and CSUs enrolled in any of the PEPRA formulas. For more information, refer to Circular Letter 200-024-13 (PDF).

Employer Paid Member Contribution Types

Information about the following two employer paid member contribution types may be contained within a payroll record, in accordance with your agency's retirement contract and resolutions:

- Tax Deferred Employer Paid Member Contributions – Pre-tax deferred and paid by the employer for the specified earned period
- Tax Deferred Employer Paid Additional Contributions – Additional contributions taken pre-tax and paid by the employer (this program is discontinued and not available to new members; this is only applicable to members who have participated in the program continuously prior to July 1, 1983).

Member Paid Contribution Types

A payroll record may contain information about the following types of member paid contributions for the specified earned period, in accordance with your agency's retirement contract and resolutions:

- Taxed Member Paid – After tax and paid by the member for the specified earned period
- Tax Deferred Member Paid – Pre-tax and paid by the member for the specified earned period
- Survivor Contribution – After tax and paid by the member into a 1959 survivor account during the specified earned period
- Taxed Member Paid Additional Contribution – Additional contributions taken after tax and paid by the member (this program is discontinued and is not available to new members; this type of contribution is only applicable to members who have participated in the program continuously prior to July 1, 1983)

Survivor Contribution Type

Survivor contribution is the amount of contribution a member pays for the 1959 Survivor Benefit. Members covered by the 1959 Survivor Benefit contribute the amounts in the following table based on the reporting frequency. The survivor contribution indexed levels change each fiscal year.

	Contribution Each Service Period	
Reporting Frequency	Indexed Level	All Other Levels
Monthly	$2.00	$2.00
Semi-monthly	$1.00	$1.00
Bi-weekly	$0.93	$0.93
Quadri-weekly	$1.86	$1.86

The 1959 Survivor Benefit provides for a survivor benefit upon the death of the member before retirement. In most cases, a member does not have both 1959 Survivor Benefit coverage and Social Security coverage with a single employer. For more information, call the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

The full amount of survivor contribution is due for an earned period, even if only one day's earnings are reported. Survivor contributions should continue to be reported even after the annual compensation limit is reached. Only one deduction is made for each earned period. The contribution is not due on retroactive salary adjustments, retroactive special compensation, or non-contributory entries. When the member is covered, the survivor contribution should always be shown as a 3-digit numeric value. It may be positive or negative depending on the circumstances.

If a member does not receive any compensation for an earned period because of an official leave of absence, no contribution is due for that earned period. Entries adjusting the survivor contributions should be included as part of the current entries or prior period earnings adjustment entries. The survivor contribution is not credited to the member's account and is not refundable.

Payroll Schedule Types

You can report payroll on the following four types of payroll schedules:

- Monthly
- Semi-monthly
- Bi-weekly
- Quadri-weekly

The following table shows a description of payroll schedule types.

Frequency	**Number of Payroll Periods per Year**	**Description**
Monthly	12	Monthly

Semi-monthly	24	First half of the month (1st through 15th) Second half of the month (16th through the end of the month)
Bi-weekly	26	First report in the month (1st through the 14th) Second report in the month (15th through the 28th) Third report in the month (occurs whenever earned period ending dates are 29, 30, or 31)
Quadri-weekly	13	First report in the month (1st through the 28th) Second report in the month (occurs whenever the earned period ending dates are 29, 30, or 31)

Note: Changes in the frequency with which payroll reports are submitted must be approved by CalPERS in advance. For more information regarding changing payroll frequencies, call the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

Note: If you use different time periods to report employees' earnings and contributions, you may have more than one type of payroll schedule (e.g., when you report optional members differently than your regular employees or divisions that report payroll differently).

Note: The end date of the first earned period of the payroll schedule determines the associated fiscal year.

For example: Your agency has a bi-weekly schedule with earned period date 6/18/2026 – 07/01/2026. This period is the first earned period reported in fiscal year 2026/2027 and effective July 1,2026 employer rates apply.

Payroll Report Types

There are **two** payroll report types:

- **Earned Period Report** – The normal payroll report submitted by your agency for each earned period according to your payroll schedule.
    - For example: Your agency has a monthly payroll schedule. Your January earned period begin date could be January 1, and the earned period end date could be January 31; or the begin date could be January 10, and the end date could be February 9.
- **Adjustment Report** – A report containing corrections for previously posted earned period records reported in error or omitted. The payroll adjustment date reflects the date the report is uploaded in or manually created in myCalPERS.
    - For example: Your agency creates an adjustment report file on January 1. The adjustment report begin date and end date will be January 1.

Payroll Reporting Deadlines

All payroll reports for the last complete earned period with an ending date in June must be created and posted to myCalPERS by the original due date, or on or before the fiscal year deadline, whichever is earlier.

CalPERS will send a Circular Letter to notify all employers of the fiscal year deadline. All payroll reports for June received in July will accrue service credit and interest.

Adhering to this schedule allows for the timely processing of payroll earned period and adjustment reports and provides for proper service, contributions, and interest to be credited to the member accounts.

Selecting an Earned Period

Each payroll report is submitted in association with an earned period identified by the begin date and end date of the employer's payroll schedule (i.e., the earned period must be selected for each payroll and Supplemental Income Plan (SIP) report submitted in myCalPERS).

The earned period of each payroll report record is populated with the earned period from the payroll report. However, these dates should be adjusted if the member did not work for the full earned period or if they are reporting an adjustment transaction (i.e., the record period beginning and end dates should be modified to reflect a mid-period appointment or separation).

Sample Scenarios

- **First Day on Payroll in the Middle of an Earned Period** – The participant's appointment must be entered in myCalPERS before payroll can be reported. The begin date of the payroll record should be listed as the participant's start date, not the first day in the earned period.
    - For example: Your agency has a bi-weekly payroll schedule; the earned period is March 3 to March 16. The participant's appointment start date is March 8. The payroll record should be keyed with a begin date of March 8 and an end date of March 16.
- **Last Day on Payroll Before the End of the Earned Period** – The participant's permanent separation date should be entered in their appointment history before the payroll is submitted. The permanent separation date must be reported as the day after the last day an employee works for your agency, which is often the day after the last day on payroll.
    - For example: Your agency has a bi-weekly payroll schedule; the earned period is March 3 to March 16. The participant's last day on pay is March 7, and the separation date is March 8. The payroll record should be keyed with a start date of March 3 and an end date of March 7.
    - If you copy a prior posted payroll report, the participant record will need to be updated to reflect the correct earned period end date.

Note: The first day after the last day payroll is earned is the earliest the permanent separation date or retirement date may be. For more information on this, refer to the Appointment Overview section in the Membership chapter of this guide.

Transmitting Payroll Information

There are four options for transmitting payroll information via myCalPERS:

- **Copy Forward** – Copy a previously posted payroll report, make modifications to the copied records, and submit the report for the current earned period. This method is the most commonly used and is best when earnings are the same (or very similar) across earned periods.

Note: When an adjustment record has been submitted to correct a previous payroll report record, the adjustment record will not be copied forward when you copy the original payroll record.

- **File Upload** – Select a new payroll XML/CSV file from your local system and upload it to myCalPERS.
- **File Transfer Protocol (FTP)** – Create an XML file to contain enrollment and payroll contributions data with a scheduled process to transfer the file to myCalPERS.
- **Manual Entry** – Create a payroll report by manually entering the necessary information for each payroll record within the report. This method is used primarily by new agencies.

For more information on the four options for transmitting payroll information, refer to our Technical Resources webpage or myCalPERS Payroll Reporting (PDF, 4.14 MB) student guide on our website.

Processing Payroll Report Statuses

There are four statuses when processing payroll reports via myCalPERS:

- **Pending Release** – This is a new report needing validation.
- **Processing** – If no errors are found, the status will change from processing to posted. If even one error is found, the status will change from processing to suspended. You will need to correct the error(s) and then select the **Process Report** button to resubmit the report.
- **Suspended** – The report may be suspended if there are errors detected. When this occurs, you may accept valid records only (recommended) and correct the errors later.
- **Posted** – The file has been processed and all records have posted to the member account.

Payroll Record Statuses

A payroll record will be in one of the following statuses:

- **Pending Validation** – The payroll record status prior to the record being validated.
- **Valid** – When a payroll record is valid, it has nothing technically wrong with any of its elements. Valid payroll records can be posted immediately. Be sure to validate (review and save) what is being posted to the member's account.
- **Valid but Held** –The record is valid, but other records with errors exist for the member. You must correct error records for the same participant prior to this record posting. For example, if an error record for the same earned period exists, then valid payroll records for the same earned period will be in a valid but held status. Once you correct the error record to reflect a valid status, the held records will become valid and post.
- **Valid with Exceptions** – The record has been validated with warnings. You must validate the transaction records for accuracy prior to posting. For example, if a reported pay rate is outside the average range, the payroll record will be in a valid with exception status. Once you have reviewed and validated the record to be correct, it can be posted. If you validate (save to validate) and the exception remains incorrect, it can be corrected prior to posting.
- **Error** – The record has been validated and contains an error. You must correct all errors before the record can post. myCalPERS will indicate which element of the payroll record has an error.

- **Posted** – The record has been validated, is free of errors, and has been posted to the employee's account. To make any changes and/or corrections to a posted record, you must submit an adjustment record.

Members' myCalPERS Accounts

myCalPERS provides members access to their real-time account information, allowing them to review the information submitted on their behalf by their employers, including appointment, payroll, and service credit information.

It is critical to stay current with information reported to CalPERS on behalf of your employees. Employer accuracy and promptness alleviate future concerns or questions members may have with their myCalPERS account and the information provided by your agency.

Note: Failure to correct and post payroll promptly will result in incorrect service credit accrual and/or incorrect or delayed benefits that may be payable to these members. Also, note the data submitted on the payroll reports, whether correct or incorrect, is used by CalPERS actuaries to determine your agency's contribution rate. Inaccurate or incomplete data may inadvertently cause your agency's contribution rate to be incorrect.

Retired Annuitants

A retired annuitant (RA) working for your agency must be reported to CalPERS. Once the appointment is updated for the RA, you must submit their payroll with a transaction type of Earned Period No Contribution No Service. If the retired annuitant's payroll details are not posted within 30 days following the last day of the earned period when the RA worked, CalPERS will assess a monthly $200 administrative fee per RA until the information is reported.

myCalPERS tracks RA hours as their records are posted. A letter will be sent to both the RA and your agency when the RA reaches 600 and 700 hours.

Note: It is critical to split the record into two records for any earned period crossing two fiscal years to ensure total hours reported are reflective of the days reported within the two records.

The following items are required when reporting RAs:

- Transaction type
- Appointment
- Pay rate type
- Pay rate
- Reportable earnings
- Scheduled full-time hours per week
- Scheduled full-time days per week (only applicable for daily pay rate type)
- Total hours worked

Reporting Deadlines & Penalties, Extensions & Waivers, and Payment of Contributions

Reporting Deadlines and Penalties

Earned Period Reports

Earned period reports must be posted on or before 30 calendar days following the last day of the earned period to which it refers.

Contribution Projections for Active Members

Only active/qualified appointments with no reported payroll after an earned period due date can be subject to projected contributions. Projected contributions are based on actual historical payroll reported and posted to myCalPERS. myCalPERS will use the highest member and employer contributions recorded within the last 90 days from the earned period end date to project contributions. Projected contributions will post to the payroll period receivable 31 days after the earned period end date. Projected contributions will reverse when payroll is successfully reported, the participant's appointment status is updated, or missing payroll for an earned period is confirmed non-reportable. Projected contributions will not impact or be recorded against the member's account balance.

Missing/Late Earned Period Reports

If an earned period report containing payroll records for all active participants is not posted prior to the report due date, CalPERS will assess a $200 administrative fee for every delinquent earned period report.

Incomplete Earned Period Reports

You have 60 calendar days from the date myCalPERS gives an error message on the payroll record to correct and post the suspended payroll file. Any unposted payroll records or errors not corrected after 60 calendar days will generate a monthly $200 administrative fee for late payroll correction until all records and errors are corrected and posted.

Payment of Contributions

All contributions due to CalPERS must be remitted on or before 15 calendar days from the end date of the earned period to which they refer (i.e., contributions for the earned period ending April 30 are due no later than May 15).

Payroll Reporting Extensions & Waivers

CalPERS may, for good cause, grant a time extension for the posting of an earned period report. You must send a payroll schedule extension request for the earned period report at least 10 business days prior to the payroll due date and no more than 30 days before the due date via the myCalPERS Payroll Schedule page.

CalPERS may waive assessed fees upon satisfactory proof of conditions existing beyond your agency's control. Normally, CalPERS does not consider internal procedures used by an employer as acceptable justification for incomplete or late reporting. Requests to waive assessed fees should be submitted via the myCalPERS Billing & Payment page.

The fees list will display the status of all assessed and waived fees and can be accessed from the Billing and Payment Summary page under Admin/Other Fees. The payroll schedule extension status can be accessed from the Payroll Schedules page under the appropriate **View Periods** link.

Note: When a payroll schedule due date extension request is approved, contribution payments are still required on or before 15 calendar days from the earned period's end date, regardless of the new earned period report due date.

Basic Contribution Calculation

This section defines the basic method of calculating a member's normal contributions. It does not apply to receivables or additional contributions. The method of calculating the member's normal contributions varies depending upon the member's contribution rate, provisions of the employer contract, cost share agreements, and whether the member has Social Security coverage.

However, the following basic instructions apply to all members:

1. In myCalPERS, locate the member category within the Retirement Contract – Rate Summary panel applicable to the member.
2. One of the following will apply (depending upon participant retirement enrollments):
    a. Without Social Security modification
    b. With Social Security modification

Note: If the member contribution rate indicates 0%, report a zero-contribution amount and stop here.

3. If (a) applies, multiply the reported member's total compensation by the percentage rate indicated in the Retirement Contract – Rate Summary panel.
   If (b) applies, modify the member's total compensation for each earned period (using the Old Age and Survivors Disability Insurance (OASDI) modification chart below). Multiply the modified total compensation by the percentage rate indicated in the Retirement Contract – Rate Summary panel.

Note: Total compensation is the combined total of reportable earnings and special compensation for the reported earned period. Employees working in two or more units will have a Social Security modification factor applied only once for the total compensation in the earned period.

OASDI Modification Chart for Public Agencies and Schools (Modification Amount $400) (also known as Offset and Social Security Modification)

Reporting frequency	If total compensation is less than	If total compensation is more than or equal to	Miscellaneous members and safety members reported under modified formulas
Monthly	$400.00	XXX.XX	Total compensation X 0.66667 X Rate
	XXX.XX	$400.00	Total compensation Minus $133.33 X Rate
Semi-Monthly	$200.00	XXX.XX	Total compensation X 0.66667 X Rate

	XXX.XX	$200.00	Total compensation Minus $66.67 X Rate
Bi-Weekly	$184.62	XXX.XX	Total compensation X 0.66667 X Rate
	XXX.XX	$184.62	Total compensation Minus $61.54 X Rate
Quadri-Weekly	$369.23	XXX.XX	Total compensation X 0.66667 X Rate
	XXX.XX	$369.23	Total compensation Minus $123.07 X Rate

Note: CSU auxiliary organizations that contract for the same contribution rate and modification factors as state miscellaneous members will calculate contributions according to the formula applicable (Gov. Code section 20680).

Note: Do not apply the full OASDI modification factor more than once per earned period. If total compensation (reportable earnings and special compensation) is less than the total compensation on the OASDI modification chart, total compensation will be modified by 0.66667 to calculate member contributions.

Note: PEPRA eliminates the contribution and offset adjustments to the final compensation factor for all employees of local public agencies and CSU enrolled in any of the PEPRA formulas. For more information, refer to Circular Letter 200-024-13 (PDF).

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. Additionally, the pay rate should remain stable throughout the fiscal year, except for pay raises, demotions, or changes in position. If the member is appointed late or separated early, the pay rate reported should be pursuant to the publicly available pay schedule and in accordance with Gov. Code 20636. 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- and part-time employee is the rate of compensation to which an employee is entitled under an employment agreement that provides compensation for each hour of regular time worked by the employee.

A daily pay rate for both a full- 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 that provides for a daily rate of compensation.

A monthly pay rate for both a full- 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 that 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 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 40 hours per week. This means all hours up to 40 per week must be reported to CalPERS for classified school members at the base pay 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.

Full-Time Service Credit

Service credit is one of the three critical elements 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 One Year of Service Credit

- Daily Employee = 215 days to earn one year of service credit
- Hourly Employee = 1,720 hours to earn one year of service credit
- Monthly Employee = 10.000 months to earn one 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

- Daily: Employee works 185 days during the fiscal year
    - 185 days ÷ 215 days = 0.860 years of service credit
- Hourly: Employee works 1,295 hours during the fiscal year
    - 1,295 hours ÷ 1,720 hours = 0.753 years of service credit
- Monthly: Employee works 7.2 months during the fiscal year
    - 7.200 months ÷ 10.000 months = 0.720 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 below:

Example:	1. Member Earnings Monthly Pay Rate	=	$1,200.00 $1,200.000	=	1 month worked divided by 10 = 0.100 years of service credit
	2. Member Earnings Monthly Pay Rate	=	$ 600.00 $1,200.000	=	0.5 months worked divided by 10 = 0.050 years of service credit
	3. Member Earnings Hourly Pay Rate	=	$ 600.00 $ 7.500	=	80 hours worked divided by 1,720 = 0.047 years of service credit
	4. Member Earnings Daily Pay Rate	=	$ 600.00 $ 30.000	=	20 days worked divided by 215 = 0.093 years of service credit

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. An hourly pay rate should not be reported for certificated members. Reporting the compensation as equal payments may ensure one year of service credit is granted. Employers will be notified each August by an automated letter generated to their myCalPERS account if a certificated member does not receive one year of service credit for the previous fiscal year. The myCalPERS report titled Certified Members with Less than a Full Year of Service Credit can be found in myCalPERS for employers to reference.

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 overtime compensation is excluded from reporting. Schools commonly have employees who have a regular work week 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 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.

Examples of Correct and Incorrect Pay Rate and Member Earnings

Incorrect data is marked with an asterisk below:

Month	Pay Rate	Member Earnings
Correct		
Sept (Reg hours)	$15.00	$2,100.00
Sept (OT hours)	$15.00	$300.00
Incorrect		
Sept (Reg hours)	$15.00	$2,100.00
Sept (OT hours)	*$22.50	*$450.00
Incorrect		
Sept (Reg hours)	$15.00	$2,100.00
Sept (OT hours)	$15.00	*$450.00
Incorrect		

Sept (Reg hours)	$15.00	$2,100.00
Sept (OT hours)	*$22.50	$300.00

Reduced Workload Program for Classified/Certificated/Academic School Members

For payroll purposes, employers shall report employees under the reduced workload program as if they are working full time (i.e., report the pay rate and earnings the employee would receive if they worked full time). The member will be required to pay member contributions based on the full-time earnings reported to CalPERS. This will result in full-time earned service credit and benefits based on full salary levels. The employer contributions shall also be based on the employee's full-time earnings and will automatically pay for the cost of the program.

Refer to the Contract Coverage Procedures section in this guide for additional requirements and eligibility information regarding the Reduced Workload Program.

Furlough Reporting

A furlough plan represents any time period during which members are directed to be absent from work without pay on the day or days designated by their employer or by a memorandum of understanding by the parties for purposes of achieving budgetary savings. A reduction in pay or pay cut imposed by an employer without any corresponding days off does not constitute a furlough. The result of a furlough is a reduction in earnings. You will need to report the full pay rate and the reduced earnings resulting from the furlough days. The member may have a reduction in service credit depending on the nature of the furlough program.

Local Safety and School Member Furlough Legislation

Furlough legislation, which added Gov. Code section 20969.2 to the PERL, protects local safety and school members who have their retirement benefits reduced due to furlough. The employer will need to report the full pay rate and the reduced earnings resulting from the furlough days. The member may receive a reduction in service credit depending on the nature of the furlough program

If a member is reported as working less than 10 full months, 215 days, or 1,720 hours in a fiscal year, the service credit earned will be less than one year. A member would begin to receive less than a full year of service if they are working 12 months and less than 144 hours per month.

Implementation of Gov. Code section 20969.2 does not change the way an employer reports payroll to CalPERS. Employers should continue to report the member's normal pay rate and the furlough reduced earnings to CalPERS. Due to the variety and complexity of the furlough plans being administered among employers, CalPERS has determined the most efficient approach to implement this legislation is through an annual adjustment process, in which CalPERS will request employers to furnish specific furlough information.

Note: This provision in the PERL has no sunset date; therefore, future furloughs which impact local safety or school members will be covered.

Circular Letters 200-005-11 (PDF) and 200-040-20 (PDF) have more detailed 20 information about furlough legislation. These can be found on our website **www.calpers.ca.gov**.

Service Purchase Option

There is no provision in the PERL that allows members to purchase furlough time.

For more information, call the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

Reporting Out-of-Class Appointment Total Hours Worked

Gov. Code section 20480 requires all contracting agencies or school employers to track hours worked by an employee serving in an out-of-class appointment and report those hours to CalPERS no later than 30 days following the end of each fiscal year.

Out-of-Class Appointment

Gov. Code section 20480 defines an out-of-class appointment to mean an appointment to an upgraded position or higher classification due to a vacancy for a limited duration.

For this section, a vacant position refers to a position that is vacant during recruitment for a permanent appointment. A vacant position does not refer to a position that is temporarily available due to another employee's leave of absence.

Penalties

Employers who violate this provision must make payments to the system equal to three times the employee and employer contributions that would otherwise be paid to the system on the difference between the compensation paid for the out-of-class appointment and the compensation that otherwise may have been paid and reported to the system for the employee's permanent position in accordance with a publicly available pay schedule.

The penalty shall be applied for the entire period the employee works in an out-of-class appointment. In addition, the employer will be responsible for a $200 administrative fee.

Penalties paid to the system are not normal contributions or additional contributions that would normally be credited to an employee's individual CalPERS account. The employee shall bear no liability, obligation, or expense because of the unlawful actions of the employer.

Refer to the Out-of-Class Reporting FAQ (PDF) for more detailed information and available resources regarding out-of-class hours reporting.

Payment of Contributions Using Electronic Funds Transfer

Electronic Fund Transfer (EFT) is a method of instructing financial institutions to electronically transfer money from one account to another, eliminating the use of paper checks. Transfers are initiated by using the online payment service in myCalPERS.

CalPERS offers EFT payment services for all receivables. With EFT payments, you can benefit from a reduction of manual processing and the associated errors. You will also reduce the costs of check processing, reconciliation, and postage, as well as ensuring the date your payment is received.

How Funds Are Transferred

Funds are transferred through an automated clearing house (ACH). The ACH is a partnership of financial institutions established to exchange funds electronically between participants.

CalPERS offers two electronic payment services to make and manage your receivables: EFT debit method (online through myCalPERS) or ACH credit method initiated through your financial institution.

Electronic payment services let you transfer funds from your agency's checking account directly to our bank safely, securely, and easily. Benefits of electronic payments:

- Save time and money – no postage costs and no worries about lost or stolen checks.
- Control your payments – schedule in advance the exact date and time your payments are dispersed.
- Eliminate any penalties or assessments due to missed payment deadlines.
- Process from any location, at any time – all you need is internet access.

EFT Debit Method – Payment Service

myCalPERS offers real-time access, tracking, control, and flexibility. Additional benefits include:

- Security – all payment information is encrypted using Verisign technology.
- Accuracy – review, modify, or cancel a payment any time before settlement.
- Convenience – enroll in myCalPERS by entering your bank information. Payment amount, settlement date and time, and more can be reviewed, sorted, printed, and used for verification or accounting reports.
- No Cost – CalPERS pays the cost for you to report an EFT debit transaction.

EFT Debit Method – Enrollment

The debit method allows you to transfer funds by authorizing CalPERS to electronically debit a bank account you control for the amount you report via the CalPERS website to the CalPERS Data Collector.

CalPERS does not have access to your bank account without your authorization through the EFT debit process for each payment. Funds can only be transferred to CalPERS for the specific purpose and dollar amounts you request and initiate.

The information you are requested to provide will identify you, the purpose of the payment, and the amount. If you authorize a payment before 5:00 p.m. Pacific Time, it will be withdrawn from your bank account and deposited into a CalPERS account the following banking day. Two banking days from your settlement date, the payment identification is downloaded into the CalPERS accounting system, crediting your agency with a payment.

Be sure to make allowance for this time period when reviewing the date your payment is due and determining your settlement date.

For example, if your payment is due Monday, March 10, you must have a settlement date by Thursday, March 6. The payment will be credited in the CalPERS accounting system on Monday, March 10. Remember to calculate additional time for bank holidays.

ACH Credit Method – Payment Service

This payment option is for agencies unable to utilize the EFT debit method. For ACH credit payments, instruct your financial institution to debit your account and credit the state's bank account. For this type of transaction, you must ensure your financial institution can send ACH credit transactions in the required format (CalPERS Credit File Specifications). There are normal set-up and transaction fees for which you are responsible. There may also be special hardware and software requirements. Contact your financial institution for the requirement details.

ACH Credit Method – Enrollment

An ACH Method Authorization Agreement (PDF) enrollment form must be completed and signed for each employer transferring funds to CalPERS. If you are transferring funds on behalf of other employers, you must obtain a separate authorization for each entity.

Email the ACH authorization agreement enrollment form to FCSD_Cashiers@CalPERS.ca.gov.

Following your registration for the ACH credit method, CalPERS will provide you with the ACH file specifications for your financial institution. Do not attempt to transfer funds until you have received the file specifications.

For more information, visit our website at **www.calpers.ca.gov** or contact CalPERS at **888 CalPERS** (or **888**-225-7377).

Benefits Procedures

Beneficiary Designation (myCalPERS 0772)

The purpose of the Pre-Retirement Lump-Sum Beneficiary Designation (myCalPERS 0772) (PDF) is to:

- Provide a means for a member who is not retirement eligible and who is not eligible for the Alternate Death Benefit (First-Tier members under age 50 with 20 or more years of state service, Second-Tier members under age 55 with 20 or more years of state service, members under PEPRA age 52 with 20 or more years of state service) and some contracting firefighters under age 50 with 20 or more years of service to designate beneficiaries' other than the statutory beneficiaries provided by the retirement law. The statutory beneficiaries are listed under the Information section; item C of the myCalPERS 0772.
- Provide a means for a member who is married or in a registered domestic partnership and is eligible to retire or who is eligible for the Alternate Death Benefit to designate beneficiaries to receive a one-time payment of the member's community property share. The spouse/registered domestic partner, by law, is still entitled to a choice of a monthly allowance or lump sum benefit. However, the amount is limited to just their community property share if the member designates other beneficiaries on this form.
- Change the designated beneficiaries (Gov. Code sections 21490 and 21492).
- Designate any person or legal entity, such as a college, university, corporation, trust, or estate, as beneficiary California Code of Regulations (CCR) 582 and Gov. Code section 21490).

Any of the following life events will revoke the Pre-Retirement Lump Sum Beneficiary Designation (myCalPERS 0772)(PDF) (Gov. Code section 21492):

- Marriage/registration of domestic partnership
- Dissolution or annulment of marriage or termination of registered domestic partnership. (However, a designation filed after the initiation of dissolution of marriage, termination of partnership, or annulment is **not** revoked when the dissolution, termination, or annulment is finalized.)
- Birth or adoption of a child
- Termination of membership that results in a refund of contributions, or in payment of a monthly retirement allowance

Note: Following a revoking action, lump-sum benefits will be paid to the statutory beneficiaries unless a new Pre-Retirement Lump-Sum Beneficiary Designation (myCalPERS 0772) (PDF) has been filed. Members may designate or change beneficiaries at any time through their online account at my.calpers.ca.gov or by filing a new Pre-Retirement Lump-Sum Beneficiary Designation (Gov. Code sections 21492 and 21493).

Special Instructions

- Changes on the form are not acceptable unless specified on the instructions page.
- Complete the Pre-Retirement Lump-Sum Beneficiary Designation, make a copy for their records, and mail it to CalPERS at the address provided on the form.
- After CalPERS reviews the form, a confirmation letter will be mailed to the member generally within four weeks. If the form is not acceptable, a new form will be mailed to the member.
- A wet signature is required on the form.

The Pre-Retirement Lump-Sum Beneficiary Designation allows a member to designate benefits on a percentage basis if more than one beneficiary is named. The percentages must add up to 100%. If no percentage is indicated, the benefits will be paid equally to each beneficiary.

The Pre-Retirement Lump-Sum Beneficiary Designation (myCalPERS 0772) (PDF) revised 12/2021 now includes section 4, Spousal Consent to Beneficiary Designation. The spouse or registered domestic partner should sign this consent if they consent to each of the member's beneficiary designations after reviewing this section.

Also, the member can check a box on section 3 to certify they are not legally married or not in a registered domestic partnership. If this box is checked, the Justification for Absence of Spouse or Registered Domestic Partner's Signature (PERS-BSD-800A) (PDF) form is not required.

Reporting an Imminent Death or Terminal Illness Power of Attorney

When your agency becomes aware of an employee's imminent death or terminal illness, the employer should immediately contact CalPERS by calling **888 CalPERS** (or **888**-225-7377).

Imminent death or terminal illness implies the member is not expected to live more than 90 days. This also applies to cases where death may not necessarily be imminent, but competency to act on one's own behalf may become impaired thereby jeopardizing later desired retirement action.

If a person has the capacity to complete the Special Power of Attorney (CalPERS-0784) (PDF) form located in the A Guide to the CalPERS Special Power of Attorney (PUB-30) (PDF) publication, the person may give their "attorney-in-fact" the power and authority to complete transactions relating to CalPERS, including filing applications, making benefit elections, designating beneficiaries, and endorsing warrants.

Note: Due to changes in the Probate Code, a member may now specifically authorize their attorney-in-fact to select a retirement option and name a beneficiary even if the attorney-in-fact is a spouse, registered domestic partner, or other family member.

To expedite processing, provide CalPERS with the following information:

- Member's name, CalPERS ID or Social Security number, and birth date
- Probable effective retirement date or date when leave credit will expire
- Current salary information and balance of accumulated sick leave
- Name, relationship, birth date, and sex of the person(s) to be designated as the member's beneficiary
- Address and telephone number where information can be communicated
- Nature and seriousness of illness estimated life expectancy, and whether the member is presently competent

CalPERS will contact the parties regarding the benefit options available, the filing requirements that must be satisfied, and how best to expedite the filing process.

Note: For CalPERS to carry out the desired retirement action, i.e., provide an allowance to the beneficiary, it is imperative the member be alive on the effective date of retirement and an application election filed with CalPERS prior to the member's death (Gov. Code sections 21503 and 21530).

The retirement application/election form can be faxed to CalPERS at (916) 795-1281 with a notation of **Emergency Retirement** on the front page's top margin. Do not mail the original. The original should be provided to the member for their records.

Power of Attorney

For information on the A Guide to the CalPERS Special Power of Attorney (PUB 30) (PDF), visit the Special Power of Attorney webpage.

Death of an Active Member

Employer Notification to System

Immediately upon learning of an employee's death, the employer should contact CalPERS to notify CalPERS of the death at **888 CalPERS** (or **888**-225-7377) and provide the following information:

- Member name, CalPERS ID or Social Security number, and birth date
- Date of death and date of separation
- Name, address, and telephone number of next-of-kin
- If a spouse/registered domestic partner is next-of-kin, the birth date, and date of marriage/partnership

CalPERS will send you a partially completed Report of Separation for Death (myCalPERS 0697) (PDF) form with the following information:

- Employer name and CalPERS ID
- Member name, CalPERS ID, and the last four digits of the member's Social Security number
- Date of death

Instructions for Completion of myCalPERS 0697

The employer should verify and, if necessary, correct any information on the form. Complete the remainder of the form as follows:

Part I – Effective Dates

1. Separation Date – Provide the last day that the member was considered an employee of your organization. This can be the date of death, any day prior to the death date, or the day after death.
2. Reason for Separation – If separation is not due to death, enter a brief explanation for the reason for separation.
3. Last Day on Pay Status – Provide the date the member was last on pay status with your organization. This is the last day the member was subject to CalPERS contributions, whether or not they were deducted from their earnings. Explain any difference between date of separation and last day on pay status, or, if member was on leave of absence, provide the dates of absence.
4. Time Base – Provide the time base. If part time, also indicate required hours. Required hours are needed for the entire period of employment.

Part II – Unused Sick Leave and Educational Leave at Time of Separation

Indicate the total number of days or hours of unused sick leave and educational leave credited (if any) to the member at the time of separation. Show partial days to three decimal places.

Part III — Health Insurance

Complete only if the member had health insurance coverage under the Public Employees' Medical and Hospital Care Act. A request for a change in health benefits coverage based upon a change in family status (death) may be made by an enrolled surviving family member who continues to receive an allowance.

PART IV — Signature

Have this form signed by an authorized officer; enter title, phone number, extension, and date. Fax completed myCalPERS 0697 form to CalPERS immediately at (916) 795-3988.

Notification by Other Than Employer

When CalPERS is informed of an employee's death by someone other than the employer, CalPERS will also initiate the myCalPERS 0697 form, partially filled in, and forward it to the employer. The employer completes the form per the instructions found on page 2 of the form.

Information for Family of Deceased

When CalPERS is notified of an active employee's death, a letter, the Application for Active Member/Non-member Survivor Benefits (myCalPERS 0675) and the publication Pre-Retirement Survivor Benefits: For

Active and Inactive Members (PUB 55) (PDF) are sent to the next of kin. The publication explains the benefits that may be payable.

If an estimate is not provided, or if only lump-sum benefits are payable, the myCalPERS 0675 may serve as the claim form if completed by the designated or statutory beneficiary. If there is a choice of a monthly or lump-sum benefit an election will be mailed out later. If the information provided on the initial myCalPERS 0675, along with any designation on file, indicates the proper beneficiary remains to be contacted, a claim form will be sent to the proper beneficiary. Payment of survivor benefits will be as soon as possible after receipt of the claim form and any other required documents (e.g., marriage, birth, or death certificates) (Gov. Code sections 21498 and 21499).

To determine the beneficiary(ies), CalPERS will check for a valid beneficiary designation, filed either by Pre-Retirement Lump-Sum Beneficiary Designation (myCalPERS 0772) (PDF) (Refer to the Beneficiary Designation section for more information) or completed online through myCalPERS. If a valid beneficiary designation has been filed and if the member was eligible for retirement, or if the Alternate Death Benefit is payable, the allowance payable to the surviving spouse will be reduced, and the designated beneficiary(ies) will receive a one-time payment of the employee's community property share. If the beneficiary designation is no longer valid or has not been filed, survivor benefits will normally be paid to the statutory beneficiary as follows:

1) If the member was eligible for retirement or if the Alternate Death Benefit is payable on the date of death (Gov. Code section 21493):
   a) Member's surviving spouse or registered domestic partner, if married/registered for at least one year or prior to the onset of the illness or injury that caused the member's death,
   b) Unmarried minor child(ren)
2) If the member was not eligible for a monthly allowance (Gov. Code section 21493):
   a) Member's surviving spouse or registered domestic partner (whether or not still living together at the time of death or not); or, if none,
   b) Natural and adopted children, including (in limited circumstances) a natural child adopted by another, share and share alike; or, if none,
   c) Parents, share and share alike; or if none,
   d) Brothers and sisters, share and share alike; or if none,
   e) Member's estate (if probated, or subject to probate); or if not,
   f) Member's trust if one exists; or if not,
   g) Stepchildren, share and share alike; or if none,
   h) Grandchildren, including step-grandchildren, share and share alike; or if none,
   i) Nieces and nephews, share and share alike; or if none,
   j) Great-grandchildren, share and share alike; or if none,
   k) Cousins, share and share alike
3) Any of the following events will, by law, revoke the beneficiary designation (Gov. Code section 21492):
   a) Marriage or registration of domestic partnership

b) Dissolution or annulment of marriage or termination of partnership if initiated after the designation was filed
c) Birth or adoption of a child
d) Termination of membership that results in a refund of contributions, or termination of employment that results in payment of a monthly retirement allowance

Following the member's death, a spouse or registered domestic partner may request a Disclaimer of Benefits (BAS-140) form if they do not wish to receive their community property interest in the survivor benefits. If the Disclaimer of Benefits (BAS-140) form is completed, then the entire Basic Death Benefit may be paid to the designated beneficiary(ies), unless the member is survived by a minor child who would become the statutory beneficiary entitled to a monthly allowance.

Note: Original documents (death certificate, marriage certificate, etc.) **should not** be sent to CalPERS. Only submit clear photocopies of these documents. To expedite the survivor benefit payment process, ensure the deceased member's CalPERS ID number or Social Security number appears in the top right corner of each photocopy.

Retirement - General

Members who wish to obtain an estimate of their CalPERS retirement allowance can do one or more of the following. A member's actual retirement allowance may be different if CalPERS determines any reported payroll does not comply with the law.

1. Members may log in to their personal myCalPERS account at my.calpers.ca.gov to obtain service retirement estimates based on the most current payroll information posted to CalPERS. These estimates do not project future salary increases, changes to time base, or unreported special compensation. They can save multiple estimates based on different retirement dates and beneficiary scenarios.
2. Members may use the CalPERS Retirement Estimate Calculator on the Retirement Estimate Calculator webpage. This option provides the flexibility to calculate an estimate using anticipated salary assumptions or projections and does not require the member to log in to myCalPERS. This calculator only provides an estimate of the Unmodified Allowance.
3. Members who are within one year of their expected retirement date are encouraged to request an estimate letter. An estimate letter is reviewed by CalPERS prior to the member receiving their estimate and is based on the most current payroll posted to CalPERS.
   Members can request and receive an estimate letter through their personal myCalPERS account, or they can download, complete, and mail the Retirement Allowance Estimate Request (PERS-BSD-470) (PDF) form to CalPERS at the address located at the bottom of the form. Members may also call **888 CalPERS** (or **888**-225-7377) and have the form mailed to them.
   A retirement estimate letter will be completed within 30 days of receipt of the request date. Members within one year of retirement may request no more than two CalPERS estimate letters in a 12-month period.
4. A request for an estimate is NOT an application for retirement. A Service Retirement Election Application (CalPERS-1206) (PDF) or Disability Retirement Election Application (CalPERS-1200)

(PDF) must be submitted to apply for retirement. An application for retirement may not be used to request an estimate. If the member plans to retire in the near future, the employer should provide the member with the CalPERS publications Planning Your Service Retirement (PUB 1) (PDF), Welcome to CalPERS: A Benefits Guide for Public Agency Members (PUB 5) (PDF), or Welcome to CalPERS: A Benefits Guide for School Members (PUB 3) (PDF). These publications provide additional benefits to consider in preparing for retirement.

5. Members are encouraged to take a CalPERS retirement planning class prior to submitting their retirement application. CalPERS offers classes designed to educate CalPERS members at any stage of their careers. Members are encouraged to take these classes throughout their careers to ensure they understand their benefits and to prepare for retirement. Both instructor-led and self-guided online classes are available. Members can visit the Member Education webpage to review the latest schedules and enroll in a class.

How to Apply?

Members may apply for retirement online through their personal myCalPERS account at my.calpers.ca.gov or they can submit and mail a hardcopy retirement application available in the Forms & Publications area on our website at www.calpers.ca.gov.

Members can also print an application started in myCalPERS and bring it to a Regional Office if they don't want to submit their application online.

When to Apply for Retirement?

Members should submit a retirement application no more than 120 days prior to the desired effective retirement date.

Note: A disability retirement application should be submitted as soon as a medical condition becomes disabling and prior to the expiration of benefits to ensure the member is eligible for the earliest effective date possible.

In order to be eligible for the earliest retirement date, the application must be received within nine months after employment is discontinued or, in the case of a disability retirement, if the member was physically or mentally incapable of performing their duties within nine months from the date the member discontinued service. The earliest retirement date is the day following the last day on payroll. The retirement date can be no earlier than the first of the month in which CalPERS receives the application (Gov. Code section 21252(a)).

Additional Notes for Submitting Forms

If the application is submitted by fax (800) 959-6545, to the Retirement Benefit Services Division, DO NOT have the member also send the original hard copy application.

Members should NOT submit any original certificates (marriage, birth, death, etc.). Send only photocopies of important documents, as CalPERS cannot return original documents. Each page should have the member's Social Security number or CalPERS ID for identification.

Who May Apply?

Service Retirement

A local public agency or school member who has reached age 50 and has earned at least five years of credited service may apply for service retirement (Gov. Code section 21060(a)). A Local Miscellaneous or school member with a membership date on or after January 1, 2013, with all service credited after that date must be age 52 unless a member is a transit employee exempt from PEPRA under Assembly Bill 1222 (Gov. Code section 7522.20). Members may be eligible to retire at age 50 if they have a combination of classic and PEPRA service. Local members with service credit under the Second-Tier formula must be age 55 unless they were a member of the system prior to the employer's contract amendment to provide that formula (Gov. Code section 21093 (b)). The application must show a definite retirement date and be submitted by the member. It is the employee's responsibility, not the employer's, to confirm that the service retirement application is sent to CalPERS.

A member who is employed on a permanent part-time basis and has worked at least five calendar years may be eligible to retire with less than five years of credited service. The retirement benefits the member will receive will be based on their actual service credit amount (Gov. Code sections 20962 and 20970).

Disability or Industrial Disability Retirement

Refer to the instructions found under Disability Retirement or Industrial Disability Retirement in this section of the guide.

Before Retirement

To Be Eligible for Retirement, a Member Must Terminate All CalPERS Employment

A member must terminate, i.e., separate from, all employment with all CalPERS employers to be eligible for retirement. This applies if the member works for more than one employer or works in more than one position for a single employer, if the member is employed full time for one employer and part time for a different employer or holds any combination of full time and part time jobs with one or more than one employer or is in an elected or appointed position with a CalPERS employer, even though they may not be receiving service credit for one or more of the positions (Gov. Code section 21252). If the member does not terminate all CalPERS employment before the retirement date, the retirement will be cancelled, or an automatic change of the retirement date will be processed when the violation is discovered.

Service Credit Purchase Requests

The retirement date can be no earlier than the day following receipt of the election to purchase service credit by CalPERS. It is important that the member requests service credit purchase information well in advance of their retirement to avoid possible delays or impacts to the retirement date and benefits.

Refer to the Service Credit Purchase Options (PUB 12) (PDF) for more service credit purchase options information.

Service credit requests and questions should be directed to:

CalPERS
Member Account Management Division

P.O. Box 942704
Sacramento, CA 94229-2704

For more information, visit the Service Credit (Time Worked) webpage or contact CalPERS at **888 CalPERS** (or **888**-225-7377).

Final Compensation

The final compensation in the calculation of an employee's retirement benefit is the highest average annual compensation earnable during any 12- or 36 consecutive months, depending on the employee's membership date and the employer's contract.

If a member has a combination of classic and 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 the retirement benefit (CCR) 579.24 (b).

Cancellation of Retirement Application

If a member wants to cancel a service retirement application or defer retirement to a later date, the member must request to do so within 30 days of receiving the first retirement benefit payment. For cancellation of disability retirement, refer to the instructions found under the Disability or Industrial Disability Retirement section. A cancellation is binding; the member must thereafter reapply whenever the member is ready to retire.

1. Once 30 days after the first retirement payment has been issued (regardless of whether the check is cashed), the member will not be allowed to cancel the retirement.
2. A member may request a refund of accumulated contributions in writing in lieu of retirement prior to the issuance of the first retirement payment (Gov. Code section 20730).

Divorce or Termination of Domestic Partnership

We will not release any service or disability retirement benefits, health or dental benefits, refund of contributions, or death benefits until the member's community property claim is resolved. A member may still submit a retirement application pending the resolution of the community property claim; however, the member's first retirement payment may be delayed until the community property claim is resolved. Once benefits become payable, they will be released and paid retroactively to the member's retirement date. For more information, refer to A Guide to CalPERS Community Property (PUB 38A) (PDF).

Service Retirement

Minimum Requirements for Service Retirement

A member shall be retired for service upon written application if the member has reached the minimum retirement age and has earned at least five years of credited service. Minimum retirement age is 50 for the First-Tier retirement plan (Gov. Code section 20160(a)). Local miscellaneous and school members with a membership date on or after January 1, 2013, with all service credited after that date, must be age 52 unless a member is a transit employee exempt from PEPRA under Assembly Bill 1222 (Gov. Code section 7522.20). Members may be eligible to retire at age 50 if they have a combination of classic and PEPRA

service. Minimum age for the Second-Tier retirement plan is 55 unless they were a member of the system prior to the employer's contract amendment to provide that formula (Gov. Code section 21093).

A member who is employed on a permanent part-time basis and has worked at least **five calendar** years may be eligible to retire with less than five years of credited service. The retirement benefits the member will receive will be based on their actual service credit amount (Gov. Code sections 20962 and 20970).

Service Retirement Processing — Document Sequence

1. Service Retirement Election Application (CalPERS-1206) (PDF) is received by CalPERS from the member. Note, the member's spouse or registered domestic partner must sign the Service Retirement Election Application form unless the member has elected the 100% Beneficiary Option 2 or 100% Beneficiary Option 2 with Benefit Allowance Increase as his or her retirement payment option and designated his or her spouse or registered domestic partner as the beneficiary and the sole primary beneficiary of any lump-sum benefits. Otherwise, the member must complete and submit a Justification for Absence of Spouse's or Registered Domestic Partner's Signature (PERS-BSD-800A) (PDF) (Gov. Code section 21261).

   The application package must include information regarding required marriage and birth date evidence (Gov. Code section 20128). Do not submit any original certificates. Send only photocopies of important documents, as CalPERS cannot return original documents. Each page of all documents submitted to CalPERS should include the member's Social Security number or CalPERS ID in the upper right-hand corner for identification.

   A member may complete the direct deposit information section on the election application form or submit a separate Direct Deposit Authorization (CalPERS-1288) (PDF) form at a later date (Gov. Code section 21269).

2. Employer Certification: Employers must certify the separation information by submitting it and any updates online using myCalPERS. Separation information includes the employee's permanent separation date and any unused sick leave balances. If the information is submitted prior to CalPERS processing the member's application, the additional service credit will be included in the member's initial retirement benefit. Otherwise, the member's account will be adjusted after the information is submitted. To receive sick leave credit according to Collective Bargaining Unit Contracts, the member's retirement date must be within 120 days from the date of separation from the employer granting the sick leave (Gov. Code sections 20963.5 and 20965).

   Service credit for unused sick leave is a mandated benefit for public agencies that participate in risk pools. For all others, it is an optional benefit (Gov. Code sections 20963.5 and 20965).

   It is imperative that you report a permanent separation when an employee retires or otherwise ends employment with your agency, regardless of the reason (Gov. Code section 20221(a)). All transactions within myCalPERS, including health and retirement, rely on the permanent separation date to be reported to determine proper benefit eligibility and cost for both the employer and the member.

Conversion of Sick Leave Credits

All employees, regardless of their work schedule (6.6 hours, 10/4/40, 9/8/80, 52 hours, etc.), will have any accumulated unused hours of sick leave service credit divided by eight to determine the number of days to report to CalPERS for the purposes of enhancing the retirement benefit.

Sick leave is converted to service credit by days of reported sick leave X .004 = service credit. (Gov. Code sections 20692, 20963.5, 20965) Example: 35 days X .004 equals .140 years of service credit.

The accrual of sick leave credits must be consistent for members of the same group or class who work like or similar hours (Gov. Code section 20630). Service credit, which was not earned through the accrual of sick leave policy, may not be credited on an individual basis for the purposes of enhancing the retirement benefit. Unused sick leave for which a member receives compensation (sick leave cash out) should not be reported to CalPERS for purposes of enhancing the retirement benefit (Gov. Code sections 20963.5 and 20965).

3. A Retirement Acknowledgment Letter to Participant (myCalPERS 0964) is sent to the member within 5-10 days of receipt of the Service Retirement Election Application (CalPERS-1206) (PDF) in our Sacramento Headquarters office, letting them know we have begun processing the request. If the member does not receive an acknowledgment letter within 10 days, they should contact CalPERS immediately.
4. A First Payment Acknowledgement Letter (myCalPERS 0924) will be sent to the member prior to receipt of the first retirement check. This letter will provide the date of the first retirement check, the amount the member can expect to receive, the retirement option election, beneficiary and survivor information, and important income tax information.

Also included is the **Account Detail Information Sheet**, which explains the data used to calculate the member's retirement allowance. The member must notify CalPERS immediately if any of the information in this letter is inaccurate. They may be responsible for repaying any overpayment of retirement benefits resulting from the inaccurate information.

Note: The member must notify CalPERS within 30 days of the issuance of their first benefit payment if any changes need to be made in their benefit option election, beneficiary, or retirement date.

5. Notice of Placement on Retirement Roll (myCalPERS 0926) is sent to the employer after the employee is placed on the retirement roll. The myCalPERS 0926 provides the employer with the number of sick leave days that were included in the employee's retirement calculation. If all the information is correct, then no action is needed.

The myCalPERS 0926 is mailed to the employer prior to the issuance of the member's first retirement check, but usually after the member's separation date.

For future employment of the retiree, refer to the section on Post-Retirement Employment and the section on Reinstatement From Retirement.

Deductions After Retirement

Health Insurance

For public agencies covered under the Public Employees' Medical and Hospital Care Act (PEMHCA), enrollment of a member is continued without change when the member retires. Coverage will continue into retirement if the individual is enrolled at the time of separation from employment and their effective date of retirement is within 120 days of separation (CCR § 599.501(d) (e)). For questions on health insurance benefits, refer to the Public Agency & Schools Health Benefits Guide (PDF).

Direct Authorization may be established for automatic deduction of payments for group health insurance administered by the employer, as well as life insurance premiums, union dues, credit union payments or shares, or contributions to charitable organizations (Gov. Code sections 21264 and 21265).

Note: Most deductions will stop at retirement, and the member will need to re-establish necessary deductions.

General Procedures for Direct Authorization of Health/Life Insurance

1. Your agency determines the eligibility of the member to continue such coverage into retirement and forwards the authorization form to the carrier, not to CalPERS. This form must be signed by the member.
2. The Direct Authorization deductions are now processed by the carrier using myCalPERS for online transaction processing or file uploads. The deductions are no longer processed by CalPERS team members. CalPERS does not have the authority to start, stop, or change a Direct Authorization deduction. The member must contact the employer or carrier to affect any change on a Direct Authorization.
3. Normally, the carrier will require two (2) months premiums in advance to provide CalPERS with adequate time to process the deduction.

Direct Authorizations

Direct authorization deductions for union dues, credit union payments or shares, or charitable organizations may be established, provided that (Gov. Code sections 21264 and 21265):

1. The organization has contracted with CalPERS to provide this service (members must contact the organization for this information).
2. The member authorizes to have money deducted through the organization.
3. The organization submits the authorization directly to CalPERS.

Authorized deductions are stopped or changed upon receipt of written authorization from the organization or if the member's retirement pay is not sufficient to cover the deduction.

CalPERS' function is limited to the mechanics of deducting and determining what deduction authorization is proper. Inquiries concerning these types of other deductions should be directed to the organization.

Income Tax Withholding

Federal and California State income tax deductions will be withheld from monthly, or lump-sum benefit payments unless the retiree specifically elects no tax withholding. Retirees can update their tax withholding at any time through their online account at my.calpers.ca.gov. They can also complete a Tax Withholding Election (Retirees and Beneficiaries) (myCalPERS 1289) (PDF) form. If CalPERS did not receive an election, automatic withholding begins based on the filing status of a single person with no adjustments.

Any questions retirees have concerning the taxability of their allowance should be directed to the Internal Revenue Service or the California State Franchise Tax Board.

Payments for Purchasing Service Credit

A member who previously elected to purchase service credit, redeposit contributions for service credit, or has arrears contributions, may elect upon retirement to continue any payments due into retirement. In such cases, service credit will be included in the retirement calculation, and a monthly payment will be taken from the member's retirement allowance. Any balance still unpaid upon the member's death shall be deducted from death benefits otherwise payable. A retired member's survivor entitled to a monthly survivor allowance may elect to continue such deductions from the monthly allowance in lieu of the lump-sum payment otherwise required. The following criteria must be adhered to:

1. No installment payments (deductions) are permitted unless an election has been made prior to retirement. All balances must be paid by the retirement date or converted to an actuarial equivalent reduction (unless the election was made prior to January 1, 2020).
2. Death benefits against which unpaid balances may be deducted include the lump-sum benefit, survivor continuance benefits, and payments under all optional settlements.

Social Security Instructions

Members having Social Security coverage, integrated with CalPERS coverage, should contact their local federal Social Security Office approximately three months before their retirement. Reference material needed by the Social Security Office will be: Social Security number, name of the employer, and documentary proof of birth.

Temporary Annuity Payments

Members applying for service retirement can elect to receive an additional monthly allowance from CalPERS.

For members entering CalPERS membership prior to January 1, 2002, the benefit is payable from retirement date to a specific age that the member selects, 59 ½ or any whole age from 60 to 68. The member can name the dollar amount they wish to receive within certain limitations (Gov. Code section 21461).

For members entering CalPERS membership on or after January 1, 2002, their employment must be in a position covered by Social Security and the maximum dollar amount that can be received is the amount of

their potential Social Security benefit. They must elect to receive temporary annuity payments until any whole age from 62 to 70 (Gov. Code section 21461.5).

This benefit is NOT free. The member's CalPERS lifetime allowance is permanently reduced to pay for the temporary annuity.

The Temporary Annuity (PUB 13) (PDF) publication can be downloaded and member questions on the program can be directed to the CalPERS website at www.calpers.ca.gov, or by calling CalPERS at **888 CalPERS** (or **888**-225-7377).

Disability Retirement & Industrial Disability Retirement

Your agency should maintain a supply of Disability Retirement Election Application (PUB 35) (PDF) which includes the disability retirement application and forms to be completed with step-by-step instructions for completing the application, and important information regarding disability and/or industrial disability retirement.

Be sure to familiarize yourself with the information in the publication to assist your employees. CalPERS strongly recommends that members complete and mail the Retirement Allowance Estimate Request (CalPERS-1211) (PDF) form prior to completing the Disability Retirement Election Application (CalPERS-1200) (PDF).

Disability Retirement

Retirement for disability is retirement resulting from mental or physical incapacity for the performance of the usual duties. Disability retirement is available to all members (miscellaneous, industrial, and safety classifications) credited with at least five years of service credit. There is no minimum age requirement for disability retirement. The injury or disease causing the incapacity does not need to be job-related (Gov. Code sections 20026, 20027, and 21150).

Note: A member who is employed on a permanent part-time basis and has worked at least five years may be eligible to retire with less than five years of credited service. The retirement benefits the member will receive will be based on their actual service credit amount (Gov. Code sections 20962, 20966, and 20970).

Industrial Disability Retirement (IDR)

Retirement for industrial disability is retirement resulting from mental or physical incapacity for the performance of the usual duties. Industrial disability retirement is available to all safety members and those miscellaneous and industrial members covered under Gov. Code section 21151. The disabling injury or disease must be work-incurred or job-related. Age, service, and contributions are not considered for qualifying purposes (Gov. Code sections 20026, 20027, and 21151).

When to Apply

The application for disability retirement shall be made only:

- While a member is in local agency service, or
- While the member for whom contributions will be made under Gov. Code section 20997 is absent on military service, or

- Within four months after the discontinuance of the local agency service of the member, or while on approved leave of absence, or
- While the member is physically or mentally incapacitated to perform their duties from the date of discontinuance of local agency service to the time of application (Gov. Code section 21154)

The member or someone on the member's behalf should submit an application for disability retirement as soon as it is believed the member is unable to perform the job because of an illness or injury, which is expected to be permanent, or last at least 12 consecutive months, or will result in death as determined based on competent medical opinion. The medical condition does not have to be permanent and stationary under workers' compensation to submit the application (Gov. Code sections 21153 and 21252).

Emergency Retirement

CalPERS can expedite retirement processing for members who are facing a terminal illness. If this is the case, contact CalPERS immediately to discuss an emergency retirement. We will make every effort possible to quickly obtain the necessary information and complete our processing. However, for any post-retirement death benefits to be paid, the member must be living on the effective date of retirement. For more information, contact CalPERS at 888 CalPERS (or 888-225-7377) (Gov. Code sections 21153, 21252, and 21503(d)).

Who Can Apply?

Application for disability or industrial disability retirement may be made by the member, by a duly authorized official of the employing agency, or by any person on behalf of the member. "Duly authorized official" is defined in Gov. Code section 21152(a) (b) (c).

Gov. Code section 21153 provides that the employer may not separate a member because of disability who is otherwise eligible to retire for disability. The employer must apply for the disability retirement of such member unless the member waives the right to retire for disability and elects to either withdraw their contributions or leave them in the fund for a future service retirement.

Employer Originated Application

When an employer is submitting a disability retirement application on the member's behalf, they must complete the Employer-Originated Disability Retirement Application (CalPERS-1396) (PDF). The application must be signed by the duly authorized official on file with CalPERS or processing will be delayed.

What to Submit with the Application

The following documentation should be submitted with the application the employer files on behalf of the member:

- Job duty statement
- Physical Requirements of Position/Occupational Title form
- Medical information to support application (e.g., fitness for duty reports, doctor notes, etc.)

Provide the following documentation if the employee has a pending adverse action, was terminated, resigned, service retired, or is being investigated for or has been convicted of a work-related felony:

- Personnel records
- Adverse actions
- State Personnel Board decisions
- Investigation reports
- Letter of resignation

Once CalPERS receives the employer originated application, the member will be notified and sent A Guide to Completing Your CalPERS Disability Retirement Election Application (PUB 35) (PDF). The member is required to complete the Disability Retirement Election Application (CalPERS-1200) (PDF) unless the member elects to waive the right to retire for disability. The local safety employer should not begin a medical determination until receiving CalPERS' notification that the member's application has been accepted.

The Employer-Originated Disability Retirement Application (CalPERS-1396) (PDF) and Disability Retirement Election Application (CalPERS-1200) (PDF) forms are available on the CalPERS website at www.calpers.ca.gov or contact CalPERS at **888 CalPERS** (or **888**-225-7377).

Note: A member cannot cancel an Employer-Originated Disability Retirement Application. If the member does not submit their application within the requested timeframe, CalPERS will administratively cancel the Employer-Originated Application.

Local Safety Members

Local safety members are required to complete all sections of the Disability Retirement Election Application (CalPERS-1200) (PDF). Along with the application, local safety members are required to complete, sign, and date the Employer Information for Disability Retirement (CalPERS-1201) (PDF) form and submit it to their employer. The employer must complete section 3 of the form and return it to CalPERS.

An incomplete application or missing required forms will delay the application process.

Application Acknowledgement

Upon receipt of a request for disability retirement, CalPERS will contact the member and employer, acknowledging receipt of the application.

CalPERS will continue to notify the employer of the member's request for disability or industrial disability retirement.

Determination

In accordance with Gov. Code section 21156, a local safety member shall be retired for disability only upon the employer's determination that the member is substantially incapacitated physically or mentally for the performance of the usual job duties with the current employer by meeting CalPERS disability retirement criteria. Refer to the Local Safety Determination Procedures section in this chapter for more information.

Industrial Disability Allowance

Generally, the industrial disability retirement allowance of a local safety member under age 50 will be 50% (or more by additional contract provisions) of final compensation. Refer to your Business Partner Retirement Contract Report for a complete list of provisions in your agency's contract. You can review your Business Partner Retirement Contract Report in myCalPERS.

The Public Employees' Pension Reform Act of 2013 (PEPRA) allows a calculation for a safety member under age 50 who qualifies for an industrial disability retirement that may result in a higher benefit than 50% of salary.

A safety member who retires on or after January 1, 2013, for industrial disability shall receive a disability retirement benefit equal to the greater of the following:

- 50% of final compensation (or more by additional contract provisions). An additional annuity may be payable if the member has contributions associated with non-safety service (Gov. Code section 21413)
- A service retirement allowance, if qualified for service retirement
- If under age 50, an actuarially reduced benefit factor (determined by the retirement formula and how many quarter years under age 50) multiplied by the number of years of safety service credit (Gov. Code section 21400)

Local Agency Determination Procedures

This determination must be made within six months from the date of CalPERS' application acknowledgement notification. The disability decision must be based upon **competent medical opinion** and all medical and vocational information provided by the member, employer, and workers' compensation carrier (Gov. Code section 21156).

The employer shall not use disability retirement as a substitute for the disciplinary process. (Gov. Code section 21156 (a) (2)) Employers must forward all relevant personnel documents and medical records to CalPERS in any of the following circumstances:

- Disciplinary process underway prior to the member's separation from employment
- The member was terminated (for cause, non-punitive termination, Absence Without Leave (AWOL), rejected during probation, etc.)
- The member resigned
- The member service retired
- The member signed an Employer Reinstatement Waiver as part of a legal settlement
- The member has been convicted of, or is being investigated for, a work-related felony

Relevant personnel documents include:

- Fitness for duty reports
- Medical reports
- Accident reports
- Injury reports

- Work performance evaluations
- Report(s) of adverse action
- Internal investigative reports
- Letter(s) of corrective action
- Date of separation from employment
- Early intervention reports
- Letter of dismissal
- Skelly hearing results
- Reasonable accommodation information
- Current status of any pending hearings or appeals
- Last day on pay
- Any settlement agreement(s)
- Letter of resignation

The determination must be made within six months of CalPERS' request for a determination in accordance with Gov. Code section 21157.

Failure to provide this determination within six months places your agency in violation of Gov. Code section 21157. As a contracting agency of CalPERS, you are the statutory delegate with authority to perform the function of disability determinations for your local safety employees, within the time frame specified by law. However, the member may waive this requirement. Your agency needs to submit to CalPERS the member's signed waiver with an expiration date.

The employer will determine if the disability is industrial. Except in disputed cases, the agency or the member may refer the matter to the Workers' Compensation Appeals Board for a determination of industrial causation. The workers' compensation claim must be accepted if the employer determines the disability is industrial and accepts the liability (Gov. Code sections 21153, 21156 (a), 21157, and 21166).

Before the Retirement System can act on any local safety member's application for disability retirement, the following questions must be resolved by the agency and the information provided to CalPERS in the form of a resolution or determination letter to be signed by the governing body or delegated authority:

1. Was the determination based upon competent medical opinion?
2. Was the determination used as a substitute for the disciplinary process?
3. Is the member presently substantially incapacitated from performing the usual duties of the position?
4. If incapacitated, what is the competent medical opinion on the disability duration: a) permanent, or b) is expected to last at least twelve consecutive months from the date of an application for benefit, or c) will result in death?
5. Has the member filed a workers' compensation claim(s) for the disabling condition(s)? Was the claim accepted?
7. If a determination is made that the member is disabled, is the disability considered industrial? Has the member established continuous disability?

8. What is the last day of CalPERS reportable pay?
9. What is the primary disabling condition(s) and body part(s) involved: e.g., orthopedic (right knee), psychiatric, internal (kidney)?
10. Is there any third-party liability related to the injury that caused the disability?
11. Have or will Advanced Disability Pension Payments be made?
12. If the member is contracted for an improved benefit under Gov. Code section 21430 or an enhanced benefit under Gov. Code section 21428, is the member eligible for such benefit? If the member is contracted and eligible for the improved benefit, what is the percentage for disability opined by Workers' Compensation?

To qualify for a disability retirement, a CalPERS member must be substantially incapacitated for the performance of their duties. This substantial incapacity must be due to a medical condition of permanent or extended duration of at least twelve consecutive months or will result in death (Gov. Code section 20026).

The law distinguishes between a person who suffers some impairment and one who suffers sufficient impairment to become eligible for disability retirement. The courts have concluded that the test is whether the member has a substantial inability to perform the usual and customary duties of the position. **Difficulty in performing certain tasks alone is not enough to support a finding of disability**. It is the inability to perform the essential functions of the actual and present job duties that determines whether the member is substantially incapacitated for the performance of their job duties.

If the member cannot substantially perform the duties of the position and meets the duration of disability under Gov. Code section 20026, then they are disabled for CalPERS' retirement purposes. **A CalPERS disability retirement must be based upon an actual and present (not prospective) inability to substantially perform the member's actual and usual job duties. Furthermore, prophylactic restrictions are not a basis for disability retirement.** If a disability is not currently present but may occur in the future, the member is ineligible for a CalPERS disability retirement.

Medical evidence may be obtained from the workers' compensation insurer. On the basis of its accumulated evidence, the agency must determine whether the member is disabled within the meaning of the Public Employees' Retirement Law.

The agency is responsible for the reevaluation of retired members for possible reinstatement (Gov. Code sections 21157 and 21192).

Industrial means disability as a result of injury or illness arising out of and in the course of employment as a local safety member (Gov. Code section 20046). Such evidence may be obtained from the workers' compensation insurer. The agency is required to certify that the member had an accepted workers' compensation claim(s) for the disabling conditions(s) and body part(s) to approve the member for industrial disability retirement. If the agency is waiting for the workers' compensation insurer to make a determination on whether to accept the claim(s) or there is a petition for Finding of Fact filed with the Workers' Compensation Appeals Board for a determination on industrial causation pursuant to Gov. Code section 21166, the agency should approve the member for disability retirement (if CalPERS disability

retirement criteria has been met) instead of industrial retirement pending the outcome from the workers' compensation insurer or the Workers' Compensation Appeals Board.

If either the member or agency applies to the Workers' Compensation Appeals Board for a determination, only that board can determine industrial causation (Gov. Code section 21166).

If a Finding of Fact which indicates the injury or illness was industrially caused is obtained, a revised determination for an approval of the industrial disability retirement must be submitted to CalPERS along with the decision of the Workers' Compensation Appeals Board if the agency adopts that decision.

The employer must review the member's medical records of their physical or mental incapacity to perform the duties of their job from their last day of physical work to present. To establish continuous disability, there must be medical substantiation on file **from the last date on payroll to present. Rules of presumption do not apply.** Even if the Workers' Compensation Appeals Board awards industrial disability benefits to the member under the Labor Code (L.C.), the judgment does not bind the California Public Employees' Retirement System, which is governed by a different body of law.

The last day of CalPERS reportable pay must be updated in myCalPERS to match the last date paid certified on the determination. The determination cannot be processed if the system does not match. For questions about reporting final payroll, contact your CalPERS payroll analyst.

Note: If you do not know who your payroll analyst is, call our Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

The retirement effective date must be established in accordance with Gov. Code sections 21163 and 21164. These sections state that the member's retirement cannot be effective, without the member's consent, until:

- The expiration of accrued sick leave or compensating time off, unless, with respect to such leave, the provisions of local ordinances or resolution or rules or regulations of the employer provide to the contrary; and/or
- The termination of the employee's fully compensated leave of absence under L.C. section 4850; and/or
- An earlier date during the leave when the disability is found to be permanent and stationary by the Workers' Compensation Appeals Board. The permanent and stationary status is only used as CalPERS criteria for medical determination.

CalPERS requires the agency determining the member's disability to provide information necessary for CalPERS to determine the effective date. The member cannot continue to work in any capacity, nor should be kept on payroll to exhaust accrued vacation once a disability determination has been made. Gov. Code sections 21156(a)(1) and 21252 may also apply.

Note: Under Labor Code (L.C.) section 4850, the leave cannot end earlier than one year unless the disability is determined to be permanent and stationary by the Workers' Compensation Appeals Board, and the member will be receiving advanced disability pension payments, paid by the employer. Review the Advanced Disability Pension Payments section.

CalPERS requires the agency to provide an accident report along with its decision if there is any third-party liability. (Review the Subrogation section later in this chapter for more information.)

If a determination is made that the member is not disabled, the agency must notify the member and CalPERS. The agency's notification to the member must inform the member of their right to appeal the agency's decision, indicate where to submit their appeal, and request a hearing within a designated number of days from the date of the notice. The notification shall be sent by certified mail, return receipt requested, or by personal service (Gov. Code section 21156).

If the member appeals the determination, the agency is required to comply with the **Administrative Procedures Act** (APA) in the disability retirement determination process (Gov. Code section 21156(b)(2)).

If the determination is changed in any way (i.e., approved conditions/body parts, change from disability to industrial disability retirement, duration of incapacity, etc.), the agency must submit a revised determination to CalPERS.

The employer must submit the following required documents in order for the determination to be processed:

- Physical Requirements of Position/Occupational Title (Local Safety) (CalPERS-1011) (PDF)
- Job duty statement
- Physician's Report on Disability (Local Safety) (CalPER-1010) (PDF)
- Workers' Compensation Carrier Request (Local Safety) (CalPERS-1009) (PDF)
- All medical reports used in making the medical determination
- Determination Resolution/Letter

Determination documents can be sent to:

CalPERS
P.O. Box 2796
Sacramento, CA 95812-2796
Fax: (800) 959-6545

Advanced Disability Pension Payments (ADPP)

Employers may make advanced disability pension payments to safety members who have submitted an application for industrial disability benefits and qualify for these benefits under L.C. section 4850. If the member is approved, the agency can continue to pay ADPP until the member begins receiving their retirement benefits directly from CalPERS. If the application for disability retirement is denied, the agency should stop ADPP payments and get reimbursement from the member directly (L.C. section 4850.4(d)).

Employers must commence ADPP no later than 30 days from the date of the last payment of salary/wages, benefits under L.C. section 4850 or sick leave. Employers are required to commence ADPP when the employee files an application for disability retirement and cooperates with providing medical information, attending medical examinations, and the evaluation process established by CalPERS. The 30-day period for the commencement of ADPP shall be tallied by whatever period of time is directly related to the

employee's failure to apply for disability retirement or full cooperation with the process (L.C. section 4850.4).

Note: ADPP cannot be paid to members who are receiving a service retirement allowance.

Contact CalPERS at **888 CalPERS** (or **888**-225-7377) before paying ADPP if the member has applied for Service Retirement pending Industrial Disability Retirement.

When a safety member begins receiving ADPP, any payments made under L.C. section 4850 are discontinued. CalPERS will notify the employer by phone prior to the member being placed on the retirement roll. The ADPP is then stopped. When CalPERS begins paying the disability retirement allowance to the member, the amount of the ADPP the employer paid to the member will be deducted from the retroactive portion of the member's retirement allowance. If the retroactive portion does not cover the total amount, CalPERS will reduce the member's monthly allowance by as much as 10% until the balance has been paid (Gov. Code section 21419).

ADPP is not considered compensation for retirement purposes (Gov. Code section 20630).

The local safety employer is required to pay ADPP until the employee is approved or disapproved for a disability retirement allowance, only if the employee meets specified conditions set forth in L.C. section 4850.4. If an employee's disability retirement application is denied, the local agency and the employee shall arrange for the employee to repay all ADPP.

Advanced disability pension payments shall not exceed 50% of the average monthly base pay rate for the last three years prior to retirement. If the member plans to choose an optional settlement, the ADPP should be reduced accordingly (L.C. section 4850.3).

In a situation where a community property claim has been filed against a member's account, it is recommended that your agency reduce the ADPP to 25% of the member's average monthly base pay rate for the last three years prior to retirement. If CalPERS has notified your agency of the existence of a community property claim and the non-member spouse is awarded a portion of the member's monthly allowance, the amount awarded to the non-member spouse will be paid from the retroactive portion of the member's retirement allowance before the ADPP is reimbursed to your agency.

If the member's remaining retroactive portion is not sufficient to cover the ADPP, the member's share of the allowance will be reduced by 10% until the total ADPP has been repaid. If the application for disability retirement is denied, the employee is responsible for reimbursing the employer the amount of ADPP received, and any repayment plan is decided between the employer and employee. CalPERS will not reimburse the employer in these situations.

It is the employer's responsibility to report to CalPERS the amount of ADPP paid to a member. If the employer fails to notify CalPERS that ADPP is paid or if the member service retires, the local agency and the employee shall arrange for repayment. CalPERS will not reimburse the employer in these situations.

Since retirement allowances are paid monthly, CalPERS recommends that the employer make advanced disability pension payments monthly. ADPP should be paid for the preceding month. If the retirement effective date is a day other than the first of the month, the member is entitled to receive retirement pay

from the retirement effective date until the end of the month. The table shows an example of retirement date and portion of the monthly allowance to be paid by the employer as ADPP.

Retirement Date	Portion of Monthly Allowance to Be Paid by Employer as ADPP
March 5	27 out of 31 days (27/31)
September 30	1 out of 30 days (1/30)

Be sure to include in the resolution or determination letter to CalPERS the following information:

- Whether or not advanced disability pension payments will be made
- Amount of the monthly advanced disability pension payment
- Amount of the first payment, if retired date is other than the first of the month
- Address to send the reimbursement check

Local Agency Re-Evaluation Procedures

The agency should conduct regular reviews of determinations for disability retirees under the voluntary service retirement age to determine if they are still substantially incapacitated or if their medical condition has improved or resolved. The re-evaluation process only addresses the previously approved condition. **It is not a process to discover new conditions.** The re-evaluation frequency is based on the competent medical opinion of the initial disability duration, the recipient's age, and the possibility of recovery. It is up to the agency to determine, based on those factors, when to schedule the re-evaluation. The re-evaluation should include, but is not limited to, gathering the following information:

- Is the retiree currently employed? What type of work are they doing? Are they working within their work restrictions? Obtain a duty statement and the physical requirements of the job for comparison. If an independent medical examination is deemed necessary, submit these documents to the examiner for review.
- Is the retiree currently being treated for their disability? If so, obtain a list of their treating physician(s) and contact information, and request their medical records since retirement.
- If the retiree is not currently being treated or the medical records received from the treating physician do not substantiate a continuous disability, the member should be evaluated by an Independent Medical Examiner.
- If indicated, consider surveillance.

Failure to cooperate with any stage of the re-evaluation process will be considered a refusal to submit to a medical examination. Gov. Code section 21175 states if any recipient of a disability retirement allowance under the minimum age of voluntary retirement for service applicable to members of his or her class refuses to submit to a medical examination, the pension portions of his or her allowance may be discontinued until his or her withdrawal of the refusal. If the refusal continues for one year, their disability retirement allowance may be cancelled.

Note: The agency should inform CalPERS in writing to take proper **action** if a retiree is uncooperative with the process.

In accordance with Gov. Code sections 20127, 20221, and 21192, the agency is requested to submit their determination on the re-evaluation or action requested for uncooperative retirees (discontinue the pension portions if refusal is less than a year; cancel the full allowance if refusal continues for one year) to CalPERS in the form of a resolution or determination letter.

Transmittal of the Agency's Determination

All Local Safety Resolution for Determinations must be signed by the governing body. If the governing body chooses to delegate the responsibility of making the disability determination to a subordinate officer, e.g., city manager, county administrative officer, fire chief, etc., a certified copy of the delegation order of the authority must accompany the finding by such delegate in every instance.

The Delegation of Authority Resolution must include a vote count by names (not numbers), at least the signature from the highest power, if not all the members within the governing body are required to sign, their position title, printed name, and date.

If the resolution states the delegated authority can appoint a designee, the agency needs to send CalPERS a letter signed by the delegated authority for the designation.

If the delegation of authority resolution does not indicate who is authorized to sign the determination when the delegated authority is absent, provide one of the following for the interim or acting position:

- Employment contract for the interim or acting position
- New delegation of authority resolution
- Letter signed by the highest power of the governing body

The above-mentioned documents must include the following information: the name of the interim or acting position, the effective date, the end date, and the authority granted.

There are sample resolutions located in the Appendix of this Guide to be used by your agency in transmitting the required information to CalPERS. All resolutions should state whether or not the employer will be making advance disability pension payments to the member.

Determination documents can be sent to:

CalPERS
P.O. Box 2796
Sacramento, CA 95812-2796
Fax: (800) 959-6545

School & Local Miscellaneous Members

Application Process

The member or individual applying on the member's behalf, other than the employer, is responsible for forwarding all forms to the appropriate party(ies) for completion. (Refer to the Employer Originated Application section earlier in this chapter for further information).

Estimate

The member's first step should be to request a disability retirement estimate by completing and submitting the Retirement Allowance Estimate Request (CalPERS-1211) (PDF). The form is available online, or it can be mailed to the member by calling CalPERS at **888 CalPERS** (or **888**-225-7377). Disability estimates are not available online.

Complete Package

For CalPERS to process a request for disability retirement, a complete package must be received within 21 calendar days. If a complete package is not received within this time frame, CalPERS will cancel the application. A complete package consists of:

- A completed Disability Retirement Election Application (CalPERS-1200) (PDF)
- A completed Authorization to Disclose Protected Health Information (CalPERS-1203) (PDF) signed by the member
- A completed Physician's Report on Disability (CalPERS-1204) (PDF) from a physician who specializes in the member's disabling condition. The physician must provide a diagnosis on the member's condition and include information about how it prevents the member from performing their job duties (an incomplete form will delay the review process).
- An Employer Information for Disability Retirement (CalPERS-1201) (PDF) form with the job description attached. This form must be used as a cover sheet for the job description and any other documents the employer submits to CalPERS.

Note: Submission of the job description should not be delayed for the completion of the Report of Separation & Advance Payroll Information (CalPERS-1205) (PDF) form. Employers should return the PERS-BSD-194 form as soon as information is available.

- A completed Physical Requirements of Position/Occupation Title (CalPERS-1204) (PDF) form providing detailed information on the specific physical requirements of the member's position or occupational title
- A completed Workers' Compensation Carrier Request (CalPERS-0994) (PDF) form along with medical records related to the claimed disability for an application for industrial disability retirement, if the member has a job-related injury.

The member should read the entire publication, A Guide to Completing Your CalPERS Disability Retirement Election Application (PUB 35) (PDF) prior to completing any forms so the information submitted is complete and accurate. This will assist CalPERS in making a timely determination.

Application

The member can apply online by logging into their myCalPERS account at **my.calpers.ca.gov**.

The member can also complete the paper Disability Retirement Election Application (CalPERS-1200)(PDF), which provides detailed instructions for each section.

Determination

Employers must forward all relevant personnel documents to CalPERS for any of the following circumstances for CalPERS' determination of the member's eligibility:

- Disciplinary process underway prior to the member's separation from employment
- The member was terminated.
- The member resigned or service retired.
- The member signed an Employment Reinstatement Waiver as part of a legal settlement.
- The member has been convicted of, or is being investigated for, a work-related felony.

The disability decision is based upon competent medical opinion, and all medical and vocational information provided by the member, employer, and workers' compensation carrier is considered. The determination is based on actual/present disability, not prospective inability to perform the job duties. In the event the medical information supplied to CalPERS is insufficient to make a determination, CalPERS may arrange an independent medical examination (IME).

Note: If the member is currently enrolled in the CalPERS health plan and becomes employed in another job pending the determination of disability retirement benefits, eligibility for CalPERS health benefits may be affected after retirement (Gov. Code sections 599.502 and 599.504).

Retirement Effective Date

If the application was received within nine months after discontinuation of employment, the effective date of disability retirement will be the day following the last day of payroll (Gov. Code section 21252). In the case of an application for disability retirement filed with CalPERS more than nine months after discontinuation of the member's service, the effective date of the application shall be determined in accordance with Gov. Code section 20160, or if no date is indicated, the effective date will be the first of the month the application is received.

If a member has been approved for disability retirement, the law states that the member must be retired immediately. The member may, unless contrary to local rules or regulations, remain on pay status to use sick leave and/or compensation time off that a person is entitled to; entitlement is a matter that must be resolved by each employer (Gov. Code section 21163).

Member Alternatives Following the Disability Determination

When the member has been found to be disabled, upon receipt of the agency's medical determination, the member will be notified of the determination and advised that they must be retired immediately. The member cannot cancel the application for disability retirement after disability has been determined. However:

- If the member is also eligible and applies for service retirement (prior to the effective date of retirement for disability or within 30 days of notification of disability retirement approval), the member may be retired for service (Gov. Code section 21156(a)(b)).

- The member may terminate CalPERS employment and submit a written request for a refund of accumulated contributions. On the date the refund warrant is mailed, they are no longer a member of this system, and no retirement benefits can be paid (Gov. Code section 21172).
  The member may appeal the determination to CalPERS

When the member has been found not to be disabled and the application is denied, they are notified of the determination and provided the opportunity to appeal the decision to the agency (CCR sections 555 and 555.1-555.4).

Note: All appeals must be submitted in writing directly to CalPERS within 30 days from the date of the notification letter.

Appeals may be sent to:

CalPERS
P.O. Box 2796
Sacramento, CA 95812-2796
Fax: (800) 959-6545

CalPERS is subject to the Administrative Procedures Act (APA), and the governing body of the contracting agency (or its authorized representative) acts as a delegate of the CalPERS Board of Administration in making the determination of substantial incapacity/disability. Therefore, the contracting agency is bound by the APA in the same manner as the CalPERS Board. So, in case of an appeal to the determination, the dispute must be heard by an administrative law judge of the State Office of Administrative Hearings.

The APA is set forth in the government code, and the statutes describe the requirements and methods for conducting an administrative hearing. If the contracting agency determines that the member is not incapacitated for the performance of duty, it shall notify the member and CalPERS of this determination. The determination should be sent to the member by certified mail (return receipt requested), giving the member a specified time period in which to appeal and request a hearing. This is proper due process. Refer to APA Sample Procedural Resolution in the Appendix section of this Guide.

General Disability Calculation

You can get an idea of what the member's monthly unmodified disability retirement allowance will be. To do so, you need to know three things:

- How many years of service credit the member has
- The benefit factor (1.8% for public agency and school members, or 1.35% for the local 1.5% at 65 formula) (Gov. Code sections 21098 and 21423(a));
- The final compensation is the highest average annual compensation earnable during any 12 or 36 consecutive months, depending on the employee's membership date and employer's contract (Gov. Code sections 20035-20039, 20041, and 20042).

Find the benefit factor and years of service credit in the following groupings. Follow the instructions listed and fill in the worksheet.

Local Public Agency & School Members

A local public agency miscellaneous, or school member must have at least five years of service credit to be eligible for disability retirement (Gov. Code section 21150).

If the member has between 5 and 10 years, OR 18 ½ or more years of service credit, multiply the years of service by 1.8 % to determine the percentage of final compensation.

If: The member has between 10 and 18 ½ years of service credit, add to that figure the number of years until the member will be age 60, and multiply the total by 1.8% to determine the percentage of final compensation. (The maximum percentage allowable is 33 1/3%).

Then: Multiply the percentage of final compensation by the highest average annual compensation earnable for 12- or 36- consecutive months to find the Unmodified Allowance. **Note:** If the member is eligible for service retirement, the member will receive the higher allowance payable, service or disability (Gov. Code section 21423).

Other Local Public Agencies

If your agency contracts for the 1.5% at 65 formula, the member must have five years of service credit to be eligible for disability retirement (Gov. Code sections 21100 and 21150).

If the member has between 5 and 10 years, or 24.692 or more years of service credit, multiply the years of service by 1.350% percent to determine the percentage of final compensation.

If: The member has between 10 and 24.691 years of service credit, add to that figure the number of years until the member will be age 65, and multiply the TOTAL by 1.350%. (The maximum percentage allowable is 33 1/3%)

Then: Multiply the percentage of final compensation by the highest average annual compensation for 12- or 36- consecutive months (depending on the employer's contract) to determine the Unmodified Allowance. **Note:** if the member is eligible for service retirement, the member will receive the higher allowance payable, service or disability (Gov. Code section 21098).

Figuring the Disability Allowance Worksheet

Years of Service		Benefit Factor		% of Final Compensation
_____	X	_____%	=	_____%

% of Final Retirement		Final Compensation		Compensation Allowance
_____%	X	$_____	=	$_____

Cancellation of Application

If a member wants to cancel the disability retirement application, other than an employer-originated application, the request must be made in writing prior to the determination. The member may submit the request to cancel by logging into their myCalPERS account at **my.calpers.ca.gov** and sending a secure message or by submitting a written request to:

CalPERS
P.O. Box 2796
Sacramento, CA 95812-2796
Fax: (800) 959-6545

A cancellation is binding; the member must thereafter re-apply whenever they are ready to retire. However, if the member is currently receiving service retirement benefits, the member cannot reapply for disability or industrial disability retirement.

If the member has been found to be disabled, and the disability was approved, refer to the Member Alternatives Following Disability Determination section earlier in this chapter for more information.

Subrogation

Under the law, if someone other than the employer caused an injury that results in disability retirement benefits being paid, CalPERS has the right to recover up to one-half of the total retirement benefit costs from the responsible party. This is known as the "right of subrogation" (Gov. Code section 20250).

If the member pursues a claim against any person for the same injuries that also entitles the member to a disability retirement from CalPERS (other than a workers' compensation claim or an uninsured motorist claim), the member must inform CalPERS by calling **888 CalPERS** (or **888**-225-7377).

This is true even if the claim has not yet resulted in a court action. CalPERS has the right to participate in the claim through filing its own action against the responsible party, intervening in the claim, or filing a lien against any judgment recovered.

If such a claim is settled without notifying CalPERS, we may also be entitled to file a lawsuit against the member for recovery under our subrogation rights.

Instructions for Completion of the CalPERS-1205

Upon approval of an application for disability retirement by CalPERS, the Disability & Survivor Benefits Division will require payroll information to begin the disability retirement payments.

The Report of Separation and Advance Payroll Information (CalPERS-1205) (PDF) must be completed by the employer.

The first section is to be completed by the member:

Section 1 - Employing Agency and Member Information

- Name of Employing Agency
- Member's name
- Social Security number or CalPERS ID

- Retirement date requested by the applicant

The following sections are to be completed by the employer:

Section 2 - Effective Separation or Termination Dates

- Separation date
- Termination date (if applicable)
- Last day on pay status
- Beginning and ending dates of leave of absence with compensation
- Explanation of the difference between the date of separation and the last day on pay status, if any.

Note: In myCalPERS, the permanent separation date is now part of a series of system verifications. **Therefore, the permanent separation date must be reported as the day after the last day an employee works for you, which is the day after their last day on payroll or the day after a leave of absence, with or without pay, ends.** The permanent separation date will frequently be the same day as a member's retirement date or the start date of a new appointment. It is imperative that all business partners follow this important business rule to avoid transaction errors due to automatic system verifications.

Section 3 – Certification of Employer

- Signature of payroll officer
- Title
- Date
- Phone number

Immediately send the CalPERS-1205 form to the address provided on the form. Failure to submit the form on a timely basis may result in a delayed warrant to the recipient. Note the following:

- Do not combine contributions for maintenance and special compensation with normal contributions. Use the **other** column.
- Do not deduct retirement contributions from lump-sum vacation payments.
- Do not delay the submission of this form awaiting final payroll data. Estimate the last period's payroll information and label this line **Estimate**.

Retirees must be enrolled (appointed) as a retired annuitant in myCalPERS, and their payroll must be reported to CalPERS (Gov. Code section 20221.5)

Post-Retirement Employment

A CalPERS retiree working as an at-will employee for a CalPERS employer without reinstating from retirement is a retired annuitant. CalPERS retirees who work at a CalPERS agency must be enrolled (appointed) as a retired annuitant in myCalPERS and their payroll must be reported to CalPERS (Government (Gov.) Code section 20221.5).

Resources for Hiring Retirees

Refer to the following resources for specific employer guidelines.

- Circular Letter 200-002-14 (PDF) – Post Service Retirement Employment Requirements
- Retired Annuitant Hiring Questionnaire (CalPERS-6966) (PDF)
- Circular Letter 200-019-25 – Amended – Post-Retirement of CalPERS Retired Annuitants – Extra Help
- Circular Letter 200-053-16 (PDF) – Requirements for Working After Disability Retirement for a CalPERS Employer
- Circular Letter 200-048-18 (PDF) – Enrolling and Reporting Retired Members
- Circular Letter 200-054-19 (PDF) – Assembly Bill 672, Chapter 98 – Working After Disability/Industrial Disability Retirement
- Circular Letter 200-038-15 (PDF) – Assembly Bill 1522 Healthy Workplaces, Healthy Families Act of 2014, AB 304 and Retired Annuitants

Resources for Members and Retirees

Advise your retiring employees and retirees to thoroughly review A Guide to CalPERS Employment After Retirement (PUB 33) (PDF) before seeking post-retirement employment. This publication is available on the Forms & Publications webpage or a printed copy can be requested by calling **888 CalPERS** (or **888**-225-7377).

Government (Gov.) Codes

California retirement law and federal tax law provide specific restrictions for employment after retirement.

Gov. Code sections 7522.56, 7522.57, 21202, 21220, 21220.5, 21221(g), 21221(h), 21224, 21227, 21229, 21231, 21232, and 21233 provide the requirements for employment of a CalPERS retiree. Gov. Code section 7522.56 provides that a retired person shall not serve, be employed by, or be employed through a contract directly by a public employer in the same public retirement system from which the retiree receives the benefit without reinstatement from retirement (i.e., termination of the retirement) except as permitted by this section.

Retired annuitant is our general term for a CalPERS retiree employed by a CalPERS employer under the authority of Gov. Code sections 7522.56, 21221(g), 21221(h), 21224, 21227, and 21229.

Civil Service Eligibility Requirement for Retired Annuitant Employment and Employment Under Gov. Code Section 21232

CalPERS service retirees can only be lawfully employed in retired annuitant compliant positions. CalPERS disability retirees can be lawfully employed in retired annuitant positions or, upon CalPERS' written pre-approval, be employed in permanent positions with certain restrictions.

A CalPERS retired state civil service employee may be appointed as a retired annuitant to a position that is either (a) in a class the person had permanent or probationary status at the time of retirement, or (b) in another class the person could have been permanently transferred, reinstated, or demoted to at the time of retirement.

A CalPERS retiree who is not retired from state civil service (i.e., retired from a CalPERS public agency or school employer, or a retired state employee exempt from civil service) can only be appointed as a retired annuitant if they are either (a) qualified for the appointment under other civil service provisions (e.g., emergency appointment, temporary authorization (TAU) appointment), or (b) eligible for the position on a civil service employment list.

For more information on the civil service process, refer to the CalHR Online Human Resources Manual (section 1200 – Appointments) available on the California Department of Human Resources (CalHR) website.

Termination of Retirement Due to Unlawful Employment

Employers and retirees have equal responsibility to ensure any post-retirement employment is lawful. CalPERS service retirees can only be lawfully employed in retired annuitant compliant positions. CalPERS disability retirees can be lawfully employed in retired annuitant positions or, with CalPERS written pre-approval, be employed in permanent positions with certain restrictions.

Employment violating any of the retired annuitant requirements or Gov. Code sections 21232 and 21233 requirements for disability/industrial disability retirees is unlawful employment. Unlawful employment may result in reinstatement from retirement for the retiree (i.e., termination of CalPERS retirement and enrollment as an active employee).

When reinstated for unlawful employment, the retiree is required to reimburse CalPERS for any retirement allowance received during the period of unlawful employment. Upon enrollment into active membership, the employee will pay member contributions plus interest to the employer for the period of unlawful employment. The employer will pay retroactive employer contributions plus interest and submit the member contributions, thereby crediting the employee with service credit for the period of unlawful employment.

Screen for Retirees When Hiring

When interviewing potential employees, the employer should ensure they lawfully hire CalPERS retirees with the following actions:

- Ask if the candidate is a CalPERS retiree and if so, specify the type of retirement: service, disability, or industrial disability.
- If the candidate is a CalPERS service retiree and the position is not a retired annuitant position, inform the candidate that reinstatement from retirement (i.e., termination of CalPERS retirement and enrollment as an active employee) is required to be hired into the position. Refer to A Guide to Your CalPERS Reinstatement from Retirement (PUB 37) (PDF) for the voluntary reinstatement process.
- If the candidate is a CalPERS disability/industrial disability retiree and the position is a retired annuitant position, ensure the job duties differ significantly from those required under the position from which the candidate retired. The position should not include duties or activities the candidate was previously restricted from performing at the time of their retirement. If the position is not a

retired annuitant position, inform the candidate a CalPERS written pre-approval must be obtained before being hired. Refer to the Employment of a Disability/Industrial Disability Retiree section in this guide for more information.
- Confirm with the candidate they have not received unemployment insurance for prior retired annuitant employment with any public employer in the 12 months prior to the appointment to ensure compliance with Gov. Code section 7522.56(e)(1).

Refer to the Retired Annuitant Hiring Questionnaire (CalPERS-6966) (PDF) for more information and to help ensure compliance.

Retiree Wait Periods

To be eligible for employment as a retired annuitant, all retirees (both service and disability/industrial disability) must meet the following requirements to work for a CalPERS employer:

- A 60-calendar-day bona fide separation in service requirement if younger than normal retirement age on retirement date.
- A 180-day wait period requirement or an allowable exception.

These requirements are further explained in the following sections.

For exceptions for CalSTRS-covered positions or positions in any other public retirement system, refer to the Employment in Other Public Retirement Systems section in this guide.

Bona Fide Separation in Service Requirement

The bona fide separation in service is required of CalPERS by Internal Revenue Code tax regulations to maintain our federal tax-qualified status. The only exception to the 60-calendar-day separation is when a declared emergency, as provided in Gov. Code section 8558, requires the employment of the retiree (California Code of Regulations (CCR) sections 586-586.2 and Gov. Code section 21220.5).

When the retiree is under normal retirement age on the retirement date, employment cannot begin, even if an exception to the 180-day wait period applies, unless both of the following conditions are met:

- There was no verbal or written agreement to return to work, either as a retired annuitant or in a position under Gov. Code section 21232, between the member and the employer before the member retired.
- There is a termination of employment (separation in service) for 60-calendar days between the retirement date and the date the retiree's employment will begin.

Normal retirement age is the age named in the member's retirement benefit formula(s). For example, the normal retirement age for a 2% at 55 retirement benefit formula is 55. If the member has more than one retirement benefit formula, then the normal retirement age is the maximum normal retirement age up to age 62. This applies even if the service in that formula was with a previous CalPERS employer and/or several years prior. Members can locate their retirement formula(s) in their myCalPERS account under Service Credit History, located in the **Retirement Summary** section, and on their most current Annual Member Statement.

Example 1: A local miscellaneous member retired June 30, 2012, at age 52. Their retirement benefit formula is 2% at 55. Because they have not reached their normal retirement age of 55, they must have a bona fide separation in service.

Example 2: A current local miscellaneous member has two retirement benefit formulas, which are 2% at 60 and 2% at 55. The normal retirement age for them is the maximum normal retirement age of 60, not 55. If they retire prior to age 60, they must have a bona fide separation in service.

If the retiree has reached normal retirement age, the bona fide separation is not required. Employers can locate the member's normal retirement age in myCalPERS.

180-Day Wait Period Requirement

All employees whose post-retirement employment begins on or after January 1, 2013, must serve a 180-day wait period between their retirement date and their first day of post-retirement employment. Certain exceptions to this waiting period are identified below.

Note: None of the following exceptions apply if the retiree received a Golden Handshake or any other retirement incentive (Gov. Code section 7522.56(g)).

180-Day Wait Period Exceptions

The exceptions to the 180-day wait period are:

- **Firefighter or Public Safety Officer:** The person retired as a firefighter or public safety officer as defined in Gov. Code section 3301 (peace officer) and will perform firefighter or public safety officer retired annuitant work (Gov. Code section 7522.56(f)(4) and CCR section 579.25).
- **Employer Resolution Certification:** The governing body of a public agency, or for school employers the governing body of either the district or the County Office of Education, must present CalPERS with a resolution passed in a public meeting approving the appointment. The employer resolution certifies in writing the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days have passed. This resolution may not be placed on a consent calendar.

Sample 180-Day Exception Resolutions

To secure a 180-day wait period exception, the employer must submit the resolution certification package (refer to the submission instructions and sample resolutions below) and a copy of the retiree's employment agreement or personnel appointment document to CalPERS **before** the first day of employment.

- Submission Instructions for CalPERS' 180-Day Wait Period Exception and Sample Resolutions - Public Agency (PDF)
- Submission Instructions for CalPERS 180-Day Wait Period Exception and Sample Resolutions - School Employers (PDF)

Submit documents by one of the following:

- Fax: (916) 795-4166

- Email: Working_After_Retirement@calpers.ca.gov
- Mail:
  CalPERS
  c/o Membership & Post-Retirement Employment Services
  Employer Account Management Division
  PO Box 942709
  Sacramento, CA 94229-2709

Service Retirement vs. Disability/Industrial Disability Retirement

Service Retirement

A CalPERS service retiree may work for a CalPERS employer (i.e., an employer who contracts with CalPERS for retirement benefits or state agencies) in a retired annuitant position. If a service retiree is appointed to a permanent regular staff position, regardless of whether part or full time, they are unlawfully employed and subject to reinstatement from retirement (i.e., termination of CalPERS retirement and enrollment as an active employee). Refer to the Termination of Retirement Due to Unlawful Employment section in this guide for more information.

Disability/Industrial Disability Retirement

A CalPERS disability/industrial disability retiree may work for a CalPERS employer (i.e., an employer who contracts with CalPERS for retirement benefits or state agencies) in an extra help appointment, in accordance with Gov. Code 21229, or in a permanent position with certain restrictions. An extra help appointment does not require CalPERS written pre-approval under Gov. Code 21229. However, disability retirees cannot be employed in the same position from which they retired or in a position that includes duties or activities they were restricted from performing at the time of their disability retirement.

CalPERS written pre-approval is required for working in a permanent position (part or full time) for a CalPERS employer. Refer to the Employment of a Disability/Industrial Disability Retiree section in this guide for more information.

Retired Annuitant Employment Requirements for All Retirees

CalPERS written pre-approval is not required for appointments to retired annuitant positions. There are two types of retired annuitant appointments for public agency employers: extra help and vacant positions. For school employers, **only** extra help appointments are applicable. The retired annuitant employment requirements are the same for both, with additional requirements for the vacant position appointment type. The retired annuitant requirements are:

- **Limited Duration Work:** The retiree has the specialized skills needed to perform work of limited duration or the employment is needed during an emergency (e.g., floods, earthquakes, etc.) to prevent stoppage of public business. While these workloads may last more than one fiscal year, the employment should terminate when the limited duration work the retiree is hired to perform is completed. Limited duration work examples include work to eliminate a backlog, work on a special project, and work that exceeds what regular staff can be expected to complete. Employers should be able to describe the work of limited duration the retiree is being hired to complete and provide

a projected timeline for completion of that work, after which the retired annuitant will be separated from the appointment.

- **Extra Help Positions:** Retirees must be employed in a designated retired annuitant extra help position. They may not be employed in a regular staff position. This includes seasonal, permanent intermittent, part time, exempt from membership, Temporary Authorization Utilization, or any other temporary position even if it is on an interim basis.
- **Interim Leave of Absence Positions:** A retiree can be employed by a contracted public agency to be available due to a leave of absence granted to a person on payroll status for a period not to exceed one year. These positions must be accompanied by a resolution from the governing body in accordance with the requirements defined by Gov. Code section 21221(g).
- **960-Hour Fiscal Year Limit:** A retired annuitant can work no more than 960 hours in a fiscal year (July 1 – June 30), for employment with all CalPERS employers combined. There is no exception to this limit. The retiree and employer have equal responsibility to track the hours worked.
    - If a CSU academic staff retiree is employed as an extra help retired annuitant, their hours will be limited to 50% of the hours the member was employed during the last fiscal year of service prior to retirement or 960 hours for all employers, whichever is less (Gov. Code section 21227).
- **Pay Rate Only Compensation:** The compensation for a retired annuitant position cannot be less than the minimum or exceed the maximum monthly base salary paid to other employees performing comparable duties as listed on the employer's publicly available pay schedule. To derive the hourly rate, divide the monthly salary by 173.333.
- **No Benefits/Other Compensation:** The retiree cannot receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the hourly pay rate. Overtime pay is allowed as it is required by the Federal Fair Labor Standards Act. Extra hours worked in overtime are subject to the 960-hour limit per fiscal year. Additional compensation such as, but not limited to, sick leave, holiday pay, shift differential pay, and education incentive pay is not allowed. The retiree can only receive the hourly pay rate. **There are no exceptions**.
- **No Retirement Contributions:** No retirement contributions are collected or paid for employed retirees. Only active members pay contributions (Gov. Code sections 7522.56 and 21224).
- **Enrollment:** All retirees hired as retired annuitants must have their appointment keyed in myCalPERS. If an employer fails to enter an appointment for a retired member employed at their agency, without reinstatement, within 30 days of the effective date of hire, a $200 fee may be assessed per retired member, per month until the retired member's appointment is keyed (Gov. Code section 21220(d)). These fees shall not be passed on to the employee.
- **Payroll Reporting:** The hours and pay rate for retired annuitant appointments must be reported in myCalPERS. If an employer fails to report the pay rate and number of hours worked for a retired member employed at their agency, without reinstatement, within 30 days of the last day of the pay period in which the retired member worked, a $200 fee may be assessed per retired member, per month, and per period until the information is reported. These fees shall not be passed on to the

employee. Refer to the Payroll Reporting Retired Annuitants section in this guide for more information (Gov. Code section 21220(e)).

- **Interim Vacant Positions:** A retiree can only be appointed once as an interim employee by the governing body of a contracted public agency to a vacant position during the recruitment for a permanent replacement. The search for a permanent appointment authorized by the governing body must be active and in place before the retiree is appointed (Gov. Code sections 7522.56 and 21221(h)).
    - While not required for retirees who have passed the 180-day wait period, we recommend having a resolution for retirees in vacant position appointments as evidence of compliance with the vacant position restrictions. Refer to the Sample Resolution for Hiring a Retiree in an Interim Appointment (PDF).

Unemployment Insurance Benefits and Retired Annuitant Employment

California law prohibits the reappointment of a retired annuitant by a CalPERS employer if, during the 12-month period prior to reappointment, the retiree received unemployment insurance compensation for prior retired annuitant employment with any public employer.

A retiree shall certify in writing to the employer upon accepting an offer of post-retirement employment they are in compliance with this requirement.

The Retired Annuitant Self Certification (CalHR 715) (PDF) form can be located on the CalHR website.

Employers may require retirees to provide a current Unemployment Insurance Benefit (UIB) printout from the Employment Development Department (EDD) indicating whether they have collected unemployment insurance within the last 12 months to verify compliance.

The Authorization for Release of Unemployment Insurance Records for Retired Annuitant (DE 1181) (PDF) can be located on the EDD website.

If a currently employed retiree is discovered to have received unemployment insurance compensation based on prior retired annuitant employment with a CalPERS employer, the current employment must be terminated on the last day of the current pay period, and the retiree shall not be eligible for reappointment by a CalPERS employer for 12 months following the termination of the current employment. A violation of this provision will not result in reinstatement from retirement (Gov. Code sections 7522.56(e) and 21224).

Special Appointments – Retired Annuitant Requirements Do Not Apply

Elected and Appointed Officers

As authorized by Gov. Code section 21231 (previously Gov. Code sections 21221(d) and 21222), a CalPERS retiree may serve in an elected or appointed office while retired. However, if all or part of the retiree's retirement allowance is based on service credit in that office, the portion of the retirement allowance based on that service credit is suspended during the retiree's time in office. The employer must immediately inform us of the appointment of any CalPERS retiree to an elective or appointed office, if the retiree held the same office prior to retirement. To notify us, the employer must complete the Elective

Officer – Retiree Certification Form (CalPERS 6203) (PDF) and email it to Working_After_Retirement@calpers.ca.gov immediately upon the retiree taking office. When the retiree leaves the office, their allowance is unsuspended prospectively. Elected and appointed officers authorized by Gov. Code section 21231 do not have to have their appointment keyed into myCalPERS. Refer to Circular Letter 200-039-24 for more information.

An elected or appointed officer, who has elected membership for their current term, may not retire mid-term and continue to serve in the elected or appointed position. The retiree must separate from this service prior to retiring. An elected or appointed officer may separate prior to being re-elected and then begin their next term after retirement. However, if the retiree retires under their normal retirement age, then the retiree needs a bona fide separation from service. Refer to the Bona Fide Separation in Service Retirement section in this guide for more information.

Full-Time State Board or Commission

A CalPERS retiree may be appointed to serve on a full-time salaried state board or commission. The retiree may serve without reinstatement from retirement as a non-salaried member and receive only the per diem authorized to all members of the board or commission. If the retiree accepts the salary, the retiree must reinstate from retirement (Gov. Code section 7522.57(c)).

Part-Time State Board or Commission

A CalPERS retiree may be appointed to serve on a part-time state board or commission, provided the annual salary is no more than $60,000. This annual salary shall only be increased in any fiscal year in which a general salary increase is provided to state employees (Gov. Code section 7522.57(b)).

Full-Time State Board or Commission, Non-CalPERS Retiree

A retiree from a public pension system other than CalPERS appointed to a full-time salaried board or commission shall choose one of the following:

- Serve without reinstatement from retirement as a non-salaried member and receive only the per diem authorized to all members of the board or commission.
- Suspend their retirement allowance(s) and reinstate as a new member of CalPERS to serve as a full-time salaried board or commission member. This service shall not be eligible for reciprocity with any other retirement system or plan (Gov. Code section 7522.57(d)).

State Board of Parole Hearings

A retiree from a public employer may serve without reinstatement from retirement upon appointment as a full-time member of the Board of Parole Hearings. This appointment is made by the governor and requires confirmation from the California Senate (Penal Code section 5075 and Gov. Code section 7522.57(e)).

Independent Contractor Employment – Independent Contractor, Consultant, or Third-Party Employee

Before employing a retiree as an independent contractor, consultant, or third-party employee, refer to the Positions Excluded from CalPERS Coverage, Independent Contractor section in this guide and note the following:

- "Independent contractors" are not employees and are excluded from CalPERS membership by Gov. Code section 20300(b). An independent contractor is someone who contracts to provide a service or complete a task according to their own methods and is not subject to the contracting entity's control as to the end product, final result of work, or manner and means by which the work is performed. CalPERS uses the common law control test as a guide to determine independent contractor status. The common law control test factors are enunciated in the case of *Albert B. Tieberg v. Unemployment Insurance Board (1970) 2 Cal.3d 943, 949*. These factors are also cited in the CalPERS Precedential Decision No. 05-01 (PDF), in the Matter of the Application for CalPERS membership credit by Lee Neidengard, Respondent and Tri-Counties Association for the Developmentally Disabled, Respondent. A contract employee (i.e., a common law employee who periodically signs an employment contract) is eligible for CalPERS membership, if otherwise qualified.
- If the retiree will be your employee under common law employment principles (i.e., there is an employer-employee relationship), the employment is subject to the retired annuitant requirements including any pay rate requirements the post-retirement employment laws impose. The pay rate being paid to the retiree must be within the range of those employees performing comparable duties.
- Statutory positions (i.e., positions that are employees by statute) cannot be filled by an independent contractor, consultant, or third-party employee. Examples are city mayor, police chief, and fire chief.

Knowing the rules and differences about whether an individual is an employee or an independent contractor is important when hiring retirees. Review Employee or Independent Contractor (PDF) for more information.

Contact us at **888 CalPERS** (or **888**-225-7377) to request the Independent Contractor Checklist package.

If you would like a review of your proposed independent contractor service agreement, email the complete agreement to Working_After_Retirement@calpers.ca.gov.

Employment Through a Third-Party Employer (All Retirees)

Before employing a retiree through a third-party employer, temporary employment agency, or through the retiree's own business entity, refer to the Positions Excluded from CalPERS Coverage, Independent Contractors section in this guide and note the following:

- The fact a third-party employer pays the retiree's wages or salary does not exempt employment from the retired annuitant requirements.

- If the retiree will be your employee under common law employment principles (i.e., there is an employer-employee relationship), the employment is subject to the retired annuitant requirements.
- Statutory positions (i.e., positions that are employees by statute) cannot be filled by employees of a third-party employer. Examples include city mayor, police chief, and fire chief.
- Payroll reporting: If a retiree hired through a third-party employer qualifies as a retired annuitant, the retiree must be enrolled as a retired annuitant with CalPERS. You must also obtain the pay rate and hours worked from the third-party employer and report their payroll the same as for your directly employed retired annuitants.

Contact us at **888 CalPERS** (or **888**-225-7377) to request the Independent Contractor Checklist package.

If you would like a review of your proposed independent contractor service agreement, email the complete agreement to Working_After_Retirement@calpers.ca.gov.

Employment in Other Public Retirement Systems

Service retirees can be employed in positions that qualify for membership in any other public retirement system without terminating their CalPERS retirement.

Disability retirees can work for an employer in a different retirement system and continue to receive their CalPERS retirement allowance with the following restrictions:

- The employment must be in a position significantly different from the one from which the retiree retired. The position should not include duties or activities they were previously restricted from performing at the time of their retirement.
- If the retiree is a disability retiree under the minimum service retirement age, their retirement benefit will be subject to an earnings limit. They are required to report their employment earnings to CalPERS on an annual basis. The total employer-paid portion of their monthly retirement allowance and new earnings cannot be greater than the current compensation of the position from which they retired. If the total is greater, their retirement allowance will be reduced. Contact us at **888 CalPERS** (or **888**-225-7377) to request a Disability Retiree's Report of Earnings form.
- If the retiree is an industrial disability retiree, their retirement allowance is not subject to an earnings limit, even if they are under the minimum service retirement age.
- If the retiree is under the service retirement age and is determined to be performing duties similar to those from which they were previously found disabled, CalPERS can re-evaluate their medical condition to determine whether they should be reinstated from retirement back into their former position.

A retiree's disability retirement requires them to inform CalPERS immediately if they are no longer incapacitated or if they are currently employed in a position similar to the job they retired from.

Employment in CalSTRS Certificated Positions

Upon clarification by the Department of Finance and the appropriate legislative committee analysts of the legislative intent of PEPRA's Gov. Code section 7522.56, Conditions and Limitations on Service After

Retirement, CalPERS will no longer interpret this section to prohibit CalPERS retirees from accepting CalSTRS-covered certificated positions or positions in any other public retirement system. Given this, no new statute or amendment to Gov. Code section 7522.56 is required to allow for the lawful employment of CalPERS retirees in CalSTRS-covered certificated positions or positions in any other public retirement system. The 180-day wait period and bona fide separation requirements do not apply to CalSTRS-covered certificated positions or positions in any other public retirement system.

CalPERS retirees cannot elect CalSTRS membership for CalPERS-covered classified positions per Gov. Code section 20309, which only applies to active CalPERS members.

Employment in JRS II or LRS

For information about employment in positions that qualify for membership in the Judges' Retirement System II (JRS II) or the Legislators' Retirement System (LRS), contact the Judges' and Legislators' Retirement Systems at **(916) 795-3688**.

Private Sector Employment After Retirement

Service retirees can work for a private industry employer not associated with any CalPERS employer without restrictions and continue to receive their retirement allowance.

Disability retirees can work for a private industry employer not associated with any CalPERS employer and continue to receive their CalPERS retirement allowance, with the following restrictions:

- The retiree's employment must be in a position significantly different from the one from which they retired. The position should not include duties or activities they were previously restricted from performing at the time of their retirement.
- If the retiree is a disability retiree under the minimum service retirement age, their retirement benefit will be subject to an earnings limit. They are required to report their employment earnings to CalPERS on an annual basis. The total employer-paid portion of their monthly retirement allowance and their new earnings cannot be greater than the current compensation of the position from which they retired. If the total is greater, their retirement allowance will be reduced. Contact us at **888 CalPERS** (or **888**-225-7377) to request a **Disability Retiree's Report of Earnings** form.
- If the retiree is an industrial disability retiree, their retirement allowance is not subject to an earnings limit, even if they are under the minimum service retirement age (Gov. Code section 21432).
- If the retiree is under the service retirement age and is determined to be performing duties similar to those from which they were previously found disabled, CalPERS can re-evaluate their medical condition to determine whether they should be reinstated from retirement back into their former position.

A retiree's disability retirement requires the retiree to inform CalPERS immediately if they are no longer incapacitated or if they are currently employed in a position similar to the job they retired from.

Employment of a Disability/Industrial Disability Retiree

To be eligible for employment in a permanent position (part or full time) while receiving a disability/industrial disability retirement allowance, a disability/industrial disability retiree must first meet the following requirements:

A. Bona fide separation, if applicable
B. 180-day wait period or an allowable exception, if applicable
C. No receipt of unemployment insurance payments for previous retired annuitant employment 12 months before the appointment

CalPERS written pre-approval is required for working in a permanent position (part or full time) without reinstatement. Such employment cannot begin prior to the board's approval and must meet the requirements in Gov. Code section 21232. Violation of any of these requirements will result in reinstatement from disability/industrial disability retirement and the member's retirement benefits will be terminated (Gov. Code sections 21202 and 21220).

A disability/industrial disability retiree cannot be concurrently employed in a permanent position under Gov. Code section 21232 and employed in a retired annuitant position.

To request re-employment approval:

1. The retiree is required to review A Guide to CalPERS Employment After Retirement (PUB 33) (PDF) for information and requirements regarding working while receiving disability/industrial disability retirement benefits before applying.
2. The retiree must complete and sign Section 1 of the Request to Work While Receiving Disability/Industrial Disability Retirement Benefits (PERS07M0044DMC) (PDF) form.
3. The prospective employer must complete Section 2 of the request form, stating their intent to hire the retiree upon CalPERS approval. They must also attach a copy of the current job duty statement and a completed and signed Physical Requirements of Position/Occupational Title (CalPERS-0700) (PDF) form for the position which the retiree is requesting to work.
4. The retiree must schedule an appointment with a specialist for the disabling condition(s) that precluded them from working and provide the specialist with a copy of the position duty statement and the completed Physical Requirements of Position/Occupational Title (CalPERS-0700) (PDF) form.
5. The retiree must provide CalPERS with a medical report on appropriate letterhead from the specialist visited. The report must include the following information:
    a. Retiree's name and date of the most recent examination
    b. Condition and body part for which the retiree is being examined
    c. Confirmation the specialist reviewed and discussed with the retiree the position duty statement (by title) and the Physical Requirements of Position/Occupational Title (CalPERS-0700) (PDF) form
    d. Whether or not the retiree has any limitations or restrictions on performing all tasks involved

e. Specific details explaining the restrictions, if any
f. Specialist's signature, printed name, medical specialty, and contact information

6. CalPERS may require an independent medical evaluation to supplement the doctor's report. If so, CalPERS will select the physician, schedule the appointment, and pay for the examination (Gov. Code section 20129).

Additional Medical Reports from Local Safety Members

If the disability/industrial disability retiree retired from a public agency local safety position, the retiree must also submit the medical documentation used at the time of their retirement identifying the approved disabling condition(s), body part(s), and restrictions placed upon them to CalPERS.

Upon approval of the re-employment, the employer is required to key the retiree's appointment in myCalPERS and report the retiree's payroll. No retirement contributions are collected or paid for employed retirees. Only active members pay contributions.

The retiree will be required to submit a copy of their W-2 tax form to CalPERS annually in January, as the disability/industrial disability retirement pension is subject to an earnings limit for as long as the employment continues (Gov. Code section 21232).

If the retiree has a position change (i.e., promotion, demotion, lateral transfer, reclassification, job location change, restart of a previously approved position, or changes to a different employer), a new re-employment approval must be obtained prior to the position change, or the retiree may be subject to retroactive reinstatement from disability/industrial disability retirement and be liable for reimbursement of any retirement allowance paid.

Reinstatement From Retirement

Public Employees' Pension Reform Act (PEPRA) of 2013

Employees who reinstate from retirement on or after January 1, 2013, with the **same** employer from which they retired would be entitled to the retirement formula that was in effect on December 31, 2012 (Gov. Code sections 7522.02 and 7522.04).

Note: All state agencies, including CSU, are treated as a single employer under PEPRA. Additionally, all school employers are treated as a single employer.

However, such employees who reinstate from retirement with an employer which the employee has not previously worked under, may be enrolled into one of the new retirement formulas, depending on whether or not they are considered a new member under PEPRA.

Note: Refer to the Membership section in this guide for the definition of a new member under PEPRA.

If you wish to hire a service retiree in a permanent position, whether full or part time, they must reinstate from retirement into active CalPERS membership (Gov. Code section 21196). A service retiree does not need approval prior to beginning active employment. However, to avoid an overpayment of retirement benefits and prevent payroll reporting problems for the employer, it is important to submit the

Reinstatement from Service Retirement Application (PERS-BSD-145) (PDF) in a timely manner. For more information, refer to A Guide to Your CalPERS Reinstatement From Retirement (PUB 37) (PDF).

If a disability/industrial disability retiree wants to reinstate to a permanent position, whether full or part time, they must obtain CalPERS written pre-approval for reinstatement prior to being hired as a regular employee (Gov. Code sections 21191, 21192, and 21193). Violation of this requirement will result in reinstatement from disability/industrial disability retirement (i.e., termination of retirement and enrollment as an active employee), and may impact the retiree's future re-retirement benefits, such as losing the benefit stated under Gov. Code section 21197.

The A Guide to Your CalPERS Reinstatement From Retirement (PUB 37) (PDF) includes the reinstatement applications for retired members on service, disability, or industrial disability retirement as well as information about the voluntary reinstatement process, mandatory reinstatement, and other consequences of unlawful employment. The publication is available on the Forms & Publications webpage or by calling **888 CalPERS** (**888**-225-7377).

Be aware that reinstatement to an employer other than the one the member retired from could result in the loss of previous retirement benefits. The retiree should contact the new employer's personnel office to clarify any questions about health and dental benefits, vision care, and death benefits available to that employer's employees and retirees before reinstating. A previous Golden Handshake is permanently lost upon reinstatement with any employer.

Reinstatement from retirement affects the Cost-of-Living Adjustment (COLA) benefits the member will be entitled to receive in the future. The annual COLA increase will begin in the second calendar year after re-retirement. COLAs are determined based upon the year in which the member retires. Reinstatement will change the base year of the future retirement and will therefore also change the date the member will be entitled to begin receiving future COLAs (Gov. Code sections 21310.5, 21311, and 21313).

To retire again following reinstatement (re-retire), the member must submit a new application for retirement. The member should contact their employer's personnel office or CalPERS prior to retirement to obtain the correct application document(s).

Service Retirement

The board, pursuant to the provisions of Gov. Code section 21196, may reinstate a person who has been retired from CalPERS for service upon:

1. CalPERS' written receipt of the completed Reinstatement from Service Retirement Application (PERS-BSD-145) (PDF). For more information, refer to A Guide to Your CalPERS Reinstatement From Retirement (PUB 37) (PDF).
2. The retiree is responsible for completing Sections 1 and 3. Section 2 must be completed by a human resources or personnel representative of the employer certifying the start/hire date of the permanent position.

A person who has been retired from CalPERS for service, following an involuntary termination of the person's employment, and who is subsequently reinstated to such employment by action on or after

October 1, 1965, pursuant to an administrative or judicial proceeding, shall be returned to employment status for the period specified by the judgment. The requirements of Gov. Code section 21196 shall not apply in this case (Gov. Code section 21198).

A person who has been retired from CalPERS for service may be reinstated from retirement pursuant to this article without regard to the requirements of Gov. Code section 21196, upon the retiree's application to CalPERS, if upon reinstatement, the retiree will be appointed by the governor to any state office or employment (Gov. Code section 21199).

When a person is reinstated from retirement, the retirement allowance is canceled, and the retiree becomes a member of CalPERS as of the date of reinstatement. The retiree's individual account shall be credited with the actuarial equivalent of the retiree's annuity at the date of reinstatement, not to exceed the amount of accumulated contributions at the date of retirement (Gov. Code section 21200).

Reinstatement from Disability/Industrial Disability Retirement

A disability/industrial disability retiree may request approval from CalPERS to reinstate to another CalPERS-covered position.

The board may require any retiree receiving a disability/industrial disability retirement allowance, under the minimum age for voluntary retirement for service, to undergo a medical examination for the approved disabling condition(s). If the board determines that such recipient is not incapacitated for duty, the agency shall be notified that such person is eligible for reinstatement to duty. The fact the retiree retired for disability/industrial disability does not prejudice any right to reinstatement to duty, which the retiree may claim. The retiree's disability/industrial disability retirement allowance will be canceled on the effective date of the employer's job offer (Gov. Code sections 21192 and 21193).

Any retiree may request approval from CalPERS to reinstate, whereby the retirement allowance is canceled, and the retiree resumes active member status, including earning additional service credit towards their subsequent retirement. Upon a disability retiree's application for reinstatement, the board may require the retiree, who is at least six months less than the age of compulsory retirement for service applicable to members of the class or category in which the retiree is applying for, to undergo a medical examination for the approved disabling condition(s) (Gov. Code sections 21192 and 21193).

A CSU retiree has reinstatement rights to the retired position. If the retiree requests approval to reinstate into a different position or with a different employer other than the one they retired from, it will be determined whether the retiree can perform all the duties for either the retired position or the new position. If the retiree is still disabled for the retired position and not disabled for the new position, they still have reinstatement rights to the retired position. If the retiree is not disabled for either of the positions, they have the right to reinstate to the retired position. However, if the retiree decides to reinstate to the new position, they will lose the reinstatement rights to the retired position (Gov. Code section 21193).

To request approval:

- The prospective employer and retiree must complete Sections 1 and 2 of the Reinstatement from Disability/Industrial Disability Retirement Application (PERS01M0036DMC) (PDF). Refer to the Additional Information for Industrial Disability section in this guide for more information.
- If the retiree is requesting reinstatement into a different position from which they retired, the prospective employer must complete Section 3 stating their intent to hire the retiree upon CalPERS approval (Gov. Code sections 21192 and 21193).
- The employer must provide a current job duty statement for the position and a completed and signed Physical Requirements of Position/Occupational Title (CalPERS-0700) (PDF) form to the retiree. If the retiree retired from CSU for disability/industrial disability and is requesting reinstatement into a different position from which they retired, or reinstatement with a different employer, the retiree will need to obtain a current job duty statement and a completed and signed Physical Requirements of Position/Occupational Title (CalPERS-0700) (PDF) form for the retired position from the former employer.
- The retiree must schedule an appointment with a specialist for the disabling condition(s) that precluded them from working and provide the specialist with a copy of the position duty statement and the completed Physical Requirements of Position/Occupational Title (CalPERS-0700) (PDF) form.
- If the retiree is requesting reinstatement to their retired position, or the retiree did not retire with CSU and wants to reinstate to a different position or with a different employer, the specialist(s) must include the following pertinent information in the medical report on appropriate letterhead:
    - The retiree's name and the date of the most recent examination.
    - The retiree's current diagnosis.
    - Confirmation that the specialist(s) reviewed and discussed with the retiree the position duty statement (by title) and the Physical Requirements of Position/Occupational Title (CalPERS-0700) (PDF) form.
    - A statement as to whether the retiree is presently capable of performing all tasks involved for the position with or without restrictions or limitations.
    - Any restrictions or limitations, including specific details about the restrictions for the former position.
    - The specialist's signature, printed name, medical specialty, and contact information.
- If the retiree retired for disability/industrial disability with the CSU and is requesting reinstatement to a different position or with a different employer, the specialist(s) must include the following pertinent information in the medical report on appropriate letterhead (Gov. Code sections 21192 and 21193):
    - The retiree's name and the date of the most recent examination.
    - The retiree's current diagnosis.
    - Confirmation that the specialist(s) reviewed and discussed with the retiree the position duty statement (by title) and the Physical Requirement of Position/Occupational Title (CalPERS-0700) (PDF) form for both the position they retired from and the new position they have applied for.

- A statement as to whether the retiree is presently capable of performing all tasks involved for either of these positions with or without restrictions or limitations.
- Any restrictions or limitations, including specific details about the restrictions for both positions.
- The specialist's signature, printed name, medical specialty, and contact information.

CalPERS may require an independent medical evaluation to supplement the doctor's report. If so, CalPERS will select the physician, schedule the appointment, and pay for the examination (Gov. Code section 20129).

If the retiree whose disability/industrial disability retirement has been canceled does not re-enter CalPERS-covered employment, an amount which is the actuarial equivalent of the retiree's annuity at cancellation shall be credited to the individual account and shall be refunded unless the retiree is eligible to elect, and does elect, to allow their accumulated contributions to remain in the retirement fund (Gov. Code section 21172).

Additional Information for Industrial Disability

For reinstatement from industrial disability to a miscellaneous position with a CalPERS-covered employer only:

- The retiree must check the box in Section 1.
- The prospective employer must complete Section 3 stating their intent to hire the retiree upon CalPERS approval (Gov. Code sections 21192 and 21193).

When the member retires again, the industrial benefit pays the higher of:

- 50% of the member's highest consecutive 12- or 36-month average monthly salary. An additional annuity may be paid if the member has contributions associated with non-safety service.
- A service retirement allowance, if the member qualifies for service retirement, or if under age 50, an actuarially reduced age factor (determined by the member's retirement formula and how many quarter years under age 50) multiplied by the number of years of service credit (Gov. Code sections 21197 and 21201).

Upon subsequent retirement, the retiree's allowance will be recalculated based on the average of the highest pay rate and special compensation during any consecutive 12- or 36-month period depending upon membership date using the same benefit formula for industrial disability and adding an annuity for the additional time worked after reinstatement. If the retiree is eligible for a service retirement after the miscellaneous employment, the retiree may receive whichever allowance is greater but will retain the industrial disability retirement classification (Gov. Code sections 21197 and 21201).

Note: If the member's industrial disability benefit was based on classic salaries, and the member becomes subject to PEPRA in the new miscellaneous position, the member's PEPRA salaries cannot be used toward their classic service.

If the CSU retiree is found to be no longer incapacitated from performance of the job duties of their retired position due to their approved disabling condition(s), they have the right to reinstate to their

retired position. If the retiree chooses to continue working in the miscellaneous position, they will lose their mandatory reinstatement rights to the retired position. In addition, the retiree will no longer be covered under Gov. Code section 21201 when they stop working. The retiree will not be entitled to resume an industrial disability retirement allowance using the salaries earned under the miscellaneous position (Gov. Code section 21193).

Local Safety Members

If the retiree retired from disability/industrial disability from a public agency local safety position and is requesting reinstatement to any public agency (local safety or state safety) position, the retiree must submit the initial application for reinstatement to the agency from which they retired. That agency will determine the retiree's eligibility for reinstatement.

If the retiree is reinstating into a CalPERS-covered miscellaneous position, the retiree must submit to CalPERS all the above required documents along with the medical documentation used at the time of their retirement identifying the restrictions placed upon them, and a duty statement for the position describing the position they held when they became disabled.

Note: If a retiring employee or retiree expresses an interest in working for a state agency employer after retirement, advise the employee or retiree that civil service eligibility is required for a state agency. Refer to CalHR for information on how to obtain civil service eligibility.

Beneficiary Designation (After Retirement)

Notification of Change in Beneficiary Status for Lump-Sum Benefits

It is important for a retired member to contact CalPERS to request a Changing Your Beneficiary or Monthly Benefit After Retirement (PUB 98) (PDF) publication when any one of the following qualifying events occurs because his or her designated beneficiary's entitlement to certain CalPERS benefits could be affected:

- Marriage or domestic partnership of the retired member (Gov. Code section 21492)
- Legal separation, dissolution or annulment of marriage or termination of domestic partnership of the retired member if initiated after the designation was filed (Gov. Code section 21492)
- Birth or adoption of a child (Gov. Code section 21492)
- Death of Retirement Option Beneficiary (Gov. Code section 21492)

Should any of the first above events occur, a retired member's existing beneficiary designation for the Return of Remaining Contributions, the lump sum Retired Death Benefit, or the balance of Temporary Annuity payments are automatically revoked. Although the death of the Retirement Option Beneficiary is not a revoking event, a member should consider revisiting their designation at that time. Once the designation is revoked, lump sum benefits will be paid to the statutory beneficiaries in the following sequence:

1. To the retired member's spouse/registered domestic partner, or if none;
2. To the retired member's natural or adopted children, share and share alike, or if none;
3. To the retired member's parents, share and share alike, or if none;

4. To the retired member's brothers and sisters, share and share alike, or if none;
5. To the retired member's estate, if probated. If the estate does not require probate, but there is a trust, benefits will be paid to the trust. If there is no trust, benefits will be paid to the retiree's surviving next of kin in the order prescribed by law.

A retired member may log in to their online account at my.calpers.ca.gov to designate a new lump sum beneficiary at any time or by obtaining a Changing Your Beneficiary or Monthly Benefit After Retirement (PUB 98) publication, which includes a Post-Retirement Lump Sum Beneficiary Designation (PERS-BSD-509P) (PDF) form, and returning the completed form to:

CalPERS
P.O. Box 942715
Sacramento, CA 94229-2715

The publication is available through the Forms & Publications webpage on the CalPERS website or by contacting CalPERS at **888 CalPERS** (or **888**-225-7377).

If the retired member wants their statutory beneficiary(ies) to receive the lump sum benefits payable, there is no need to file a Post-Retirement Lump-Sum Beneficiary Designation (PDF) (PERS-BSD-509P). However, filing a Post-Retirement Lump-Sum Beneficiary Designation (PDF) (PERS-BSD-509P) may help us locate the person(s) upon the member's death.

If the spouse or domestic partner is not named as the sole beneficiary or the retiree does not certify they have no spouse/domestic partner, and the document does not include the spouse or domestic partner signature, a Justification for Absence of Spouse/Domestic Partner Signature (PERS-BSD-800A) (PDF) form must be completed and submitted with their designation.

Note: A retired member's designation and benefit entitlement to any lump sum death benefit may be impacted by a community property interest in the retired member's CalPERS retirement account.

For an explanation of the limited situations under which retired members may change their optional settlement of beneficiary designation after retirement, refer to the section entitled Qualifying Life Events After Retirement later in this section.

If a retired member marries or enters into a registered domestic partnership, the new spouse/domestic partner is not automatically entitled to a monthly death benefit (Gov. Code sections 21454, 21453, 21462 and Family Code Section 2610). A retired member would have to modify the Option and name a new beneficiary. A modification will cause a reduction in the retired member's allowance to provide an ongoing allowance with health coverage to the new spouse or domestic partner. For more information, the retired member must read the What You Need to Know About Changing Your Beneficiary or Monthly Benefit After Retirement (PUB 98) (PDF) publication. The publication is available on the Forms & Publications webpage.

A survivor or beneficiary who is receiving an allowance following the death of the retired member may designate a beneficiary to receive any unpaid allowance by requesting and filing a Beneficiary Designation for Survivor's Prorated Allowance (myCalPERS 0777) (PDF) form with the CalPERS Retirement Benefit Services Division at (Gov. Code section 21491):

CalPERS
P.O. Box 942715
Sacramento, CA 94229-2715

Qualifying Life Events After Retirement

Certain life events can impact a retiree's CalPERS retirement benefits. Depending on the life event, the retiree can request to:

- Add or change a beneficiary designation
- Remove a beneficiary designation,
- Request a benefit allowance increase

Before making an election to add or change a beneficiary designation, the retiree must obtain an estimate of their new retirement allowance by logging in to their personal myCalPERS account at my.calpers.ca.gov and follow the prompts from the **Retirement** tab to **Change Retirement Benefit**.

For additional information, review the publication What You Need to Know About Changing Your Beneficiary or Monthly Benefit After Retirement (PUB 98) (PDF).

Effective Date for Changing an Option (Gov. Code section 21462)

If the retired member made an election to change their option **within** 12 months of the qualifying event, the effective date is the first of the month following CalPERS receipt of their completed election document.

If the retired member makes an election to modify their option more than 12 months after the qualifying event, the modification will not become effective until 12 months after the election is made. Both the retired member and their new beneficiary must be alive on the deferred election effective date.

Health Insurance (Gov. Code section 22830)

When a retired member considers a modification of retirement option, they need to remember that continuation of CalPERS health insurance coverage of a new spouse/domestic partner depends on their being enrolled as a dependent on the retired member's plan at the time of the retired member's death and the retired member made an election of option that provides the new spouse/domestic partner with a monthly allowance.

If a retired member has CalPERS health insurance, they must immediately notify CalPERS if they divorce, terminate a domestic partnership or suffer the death of a spouse, domestic partner or other dependent. Failure to make a timely notification may result in incorrect premium deductions from the retired member's monthly allowance that will result in the member being liable for all costs incurred during the ineligibility period.

Death of a Retiree

If you become aware of the death of a retiree, contact CalPERS with the name, birth date, Social Security number or CalPERS ID, and date of death of the deceased, as well as the names, relationships, and addresses of the next of kin. A written or telephone communication detailing this information is

acceptable for death notification provided an official of the agency gives it. The Report for Separation for Death – Request for Payroll Information (myCalPERS 0697) form should NOT be submitted for a retired person's death.

Information for Family of Deceased

When a CalPERS retiree dies, there are several important steps a spouse or family member can take to help assure prompt payment of any benefits payable by CalPERS. The **first step** is to notify CalPERS by telephone at **888 CalPERS** (or **888**-225-7377), by letter at P.O. Box 1652, Sacramento, CA, 95812-1652, or through our website at www.calpers.ca.gov. We will need as much of the following information as possible:

- Name and Social Security, or CalPERS ID number of the deceased retiree.
- The date of death.
- Name, address, and telephone number of the person providing notice of death.
- Name, address, and telephone number of surviving spouse/domestic partner, other next-of-kin, or the person who will be settling the estate.
- If applicable, Social Security number of surviving spouse/domestic partner if available.
- Date of birth of surviving spouse/domestic partner if available.
- Date of marriage/registration of domestic partnership if available.

The **second step** is to accumulate documentation. CalPERS will ask for:

- A photocopy of the certified death certificate showing the cause and manner of death.
- The name, address, and phone number of the person handling the estate if the member's estate requires probate. Letters of administration must be submitted by the executor of the estate before benefits can be paid to the estate.
- Other documents that are not included in the member file, such as photocopies of marriage certificates, domestic partnership registration, or birth certificates

The **third step** is completing the Application for Retired Member/Payee Survivor Benefits (myCalPERS 2582) form that is sent by CalPERS. This form is used to determine whether any event has occurred to invalidate the beneficiary designation or to identify persons who might be beneficiaries by law. It is a formal application to receive payment of death or survivor benefits determined payable by CalPERS. The person completing this form is certifying they are the person identified therein. This form should be completed in full and returned to CalPERS with copies of the other documentation (death certificate, marriage certificate, newspaper clipping, etc.) as quickly as possible. Enclosed with the Application for Retired Member/Payee Survivor Benefits (myCalPERS 2582) form will be a Tax Withholding Election for Survivor Benefits Including Benefits Eligible for Rollover (myCalPERS 1192) form and, Federal Tax Withholding Election W-4P (myCalPERS 1289) form, so an election may be made for Federal and State Tax withholding.

Health Insurance

If the survivor is entitled to a monthly benefit and continued coverage under the Public Employees' Medical and Hospital Care Act (PEMHCA), as administered by CalPERS, the enrollment shall be continuous (CCR § 599.502(E) (8))

Warrants Issued After Retiree's Death

All checks or retirement warrants issued (dated) after the retiree's death should be promptly returned to CalPERS.* If funds have been transferred to a bank for direct deposit to the retiree's account, CalPERS will contact the bank directly regarding reimbursement of the full amount of the warrants issued after the retiree's death. Any allowance accrued but unpaid prior to the retiree's death will be paid to the eligible beneficiary (Gov. Code section 21510).

*Unless the CalPERS representative specifically tells the surviving spouse or registered domestic partner that the payments do not need to be returned

Completing the Tax Withholding Election for Survivor Benefits

Monthly and/or Prorated Payment Including Any Allowance Adjustments

The retirement allowance is treated as payroll wages. Federal income tax will be withheld based on the rate of a single person with no adjustments unless the beneficiary or survivor completes an election with their specific withholding preference or to designate no withholding. If no election is submitted and the rate of single with no adjustments is used, no federal tax will be withheld if the gross monthly payment is less than the IRS minimum level.

If the beneficiary or survivor is a resident of the State of California, state income tax will also be withheld based on the rate of a single person with no adjustments unless they complete an election with their specific withholding preference or to designate no withholding preference or to designate no withholding. For California residents, if no election for state withholding is submitted and the rate of single person with no adjustments is used, no taxes will be withheld if the gross monthly payment is less than the Franchise Tax Board minimum level.

Return of Remaining Contributions, Temporary Annuity Payments, and Retired Death Benefit (CCR section 589.5 and Gov. Code section 22970.88)

If the benefit is payable to a spouse (or ex-spouse awarded a community property interest), death benefits may be non-taxable, partially taxable, or fully taxable. Any taxable portion of the benefit will be subject to 20% federal withholding unless rolled over into an IRA.

The non-taxable portion of the distribution is not eligible for rollover. This portion will be paid with no taxes deducted and will be reported to the tax authorities as a non-taxable benefit. Special tax rules apply to eligible rollover distributions. The spouse should consult a tax advisor before making a tax election for these benefits.

If someone other than the retiree's spouse or ex-spouse is a beneficiary of all or a portion of the Return of Remaining Contributions, Temporary Annuity balance, or Retired Death Benefit, the taxable portion of the benefit will be subject to 20% federal withholding unless rolled over into an **inherited** type of IRA. The

non-taxable portion of the distribution is not eligible for rollover. It will be paid with no taxes deducted and will be reported to the tax authorities as a non-taxable benefit. Special tax rules apply to eligible rollover distributions. The non-spouse beneficiary should consult a tax advisor before making a tax election for these benefits.

If the beneficiary lives in California, CalPERS will automatically withhold 3% of the taxable portion of the payment for state taxes unless the payments are rolled over into an IRA.

If they do not wish to have State tax withheld from the Return of Remaining Contributions, Temporary Annuity or Retired Death Benefit payment, they must submit a Tax Withholding Election for Survivor Benefits Including Benefits Eligible for Rollover form (myCalPERS 1192) with the appropriate box checked.

Tax & Income Reporting Information

Statement of Benefits Paid and Withholding (CCR section 589.5 and Gov. Code section 22970.88)

In January of the year following payment, CalPERS provides each retiree and/or beneficiary with a tax statement showing the gross amount(s) of benefits paid during the previous calendar year and the amount of income tax withheld, if any. All payments made by CalPERS are reported to the IRS and to the California State Franchise Tax Board if applicable (California residents or had taxes withheld during the year). Questions about the taxability of CalPERS benefits should be directed to the IRS, the California State Franchise Tax Board, or a tax advisor.

Taxpayer Identification Number (CCR section 589.5 and Gov. Code section 22970.88)

Section 6109 of the IRS Code requires recipients of reportable payments to furnish Taxpayer Identification Numbers (TINs). The Social Security number (SSN), Individual Taxpayer Identification Number (ITIN) (or Employer ID number, if a trust, estate or organization) must be furnished to CalPERS, even if the retiree and/or beneficiary is not required to file a tax return.

Notice of Possible Penalties (CCR section 589.5 and Gov. Code section 22970.88)

If the retiree and/or beneficiary elects not to have federal tax and/or California State tax withheld, or not enough federal or California State tax withheld, the retiree and/or beneficiary may be responsible for payment of estimated tax. The retiree and/or beneficiary may also incur penalties under the estimated tax rules if withholding and estimated tax payments are not sufficient. IRS Publication 505, Tax Withholding and Estimated Tax (PDF, 1.65 MB), provides additional information.

Changing a Tax Withholding Election (CCR section 589.5 and Gov. Code section 22970.88)

Once a tax withholding election for a monthly benefit is filed, it will remain in effect until another election is filed revoking the original.

To file another election, the retiree and/or beneficiary would need to access their online account at my.calpers.ca.gov or complete another Tax Withholding Election (myCalPERS 1289) (PDF) form and submit it to CalPERS. This form can be reviewed and printed from the Forms & Publications webpage on the CalPERS website.

Refund of Member Contributions

Member Refunds

Once a permanent separation has been entered into myCalPERS, an Options at Separation letter is generated to the member. The letter explains the member's options based on age and vesting as well as providing tax information if they choose to withdraw their contributions and interest (Gov. Code section 20730).

If members are moving from one CalPERS- covered employer to another, they may not receive a return of contributions. In addition, if members are moving to any of the publicly funded retirement systems with which CalPERS has a reciprocal agreement, the member may not elect to withdraw their contributions. If members are moving to a position covered under CalSTRS, Legislators' Retirement System, University of California Retirement Plan, or the Judges' Retirement Systems, they may not elect to refund (Gov. Code section 20731).

Members who prefer to leave their funds in CalPERS do not need to respond to the Options at Separation letter. Their contributions will continue to earn interest at the current rate. As long as the contributions remain in CalPERS, members can review their Annual Member Statement, which is available online in their myCalPERS member account. If members have at least five years of service credit, they can apply for a retirement allowance at age 50 or older. If the funds are still in CalPERS when the member reaches age 73, an election to either refund or retire must be made. Failure to act will result in a refund to a non-interest-bearing account (Gov. Code section 20731).

Members who prefer a refund of contributions and interest must return the Refund Election Form Packet (myCalPERS 1202) (PDF, 1.07 MB) or the Mandatory Refund Election Form With Required Minimum Distribution Packet (PDF, 1.5 MB), for required minimum distributions, along with the Refund Direct Deposit Authorization (myCalPERS 1362) (PDF) if needed, directly to CalPERS.

The forms are located on the CalPERS website or can be obtained by calling CalPERS and requesting a copy. Members can elect to withdraw their contributions and interest as an in-hand distribution or as a rollover to an IRA or other qualified retirement plan (Gov. Code section 20734).

A refund will not be issued until the member has been permanently separated from all CalPERS-covered employers via myCalPERS (Gov. Code section 20733).

Note: A member who is on an extended leave without pay or on military leave may not receive a refund of their CalPERS retirement contributions. These types of refunds are considered "in service distributions," which are not allowed by the Internal Revenue Service.

Forfeiture of Benefits

An employer who employs a member who was convicted, by a state or federal trial court of any felony under the law for conduct arising out of or in the performance of his or her official duties, must notify CalPERS at **888 CalPERS** (**888** 225-7377) within 90 days of the conviction (Gov. Code sections 7522.72 and 7522.74).

The Gov. Code further states that CalPERS may assess a public employer a reasonable amount to reimburse the cost of audit, adjustment, or correction, if it determines that the public employer failed to comply with this section.

Members subject to Gov. Code sections 7522.72 or 7522.74, must forfeit all accrued rights and benefits in CalPERS retroactive to the first commission date of the crime, and they can no longer work for a CalPERS-covered employer.

Upon notification, the employer will need to provide the following information:

- The earliest date (mm/dd/yyyy) of the commission of the felony
- The court(s) in which the case was heard
- The name and mailing address of the presiding judge
- The name and mailing address of the prosecuting attorney (state and/or federal)
- The description of the felony charges for which the employee was convicted
- Date of conviction/date of guilty plea
- In addition to providing the above information, submit a copy of the supporting court document(s) related to the employee's felony conviction/guilty plea

Use our fillable Forfeiture of Benefits Employer Form (CalPERS-1401) (PDF) form.

IRC Section 415(b) & the Replacement Benefit Plan

Internal Revenue Code (IRC) section 415(b) is a federal provision that limits the amount of annual retirement benefits an individual can receive from a tax-qualified, defined benefit pension plan such as CalPERS. The annual retirement benefits payable from CalPERS are subject to the dollar limits imposed by IRC 415. This law was enacted to prevent employers from using tax-qualified, defined benefit plans as tax shelters. The CalPERS retirement plan may lose its tax-exempt status if it fails to comply with IRC 415.

IRC 415 places a dollar limit on the annual retirement benefit (allowance) that can be received from CalPERS. CalPERS retirees whose retirement allowances are limited by IRC 415 will receive replacement benefits from a separate fund through the Replacement Benefit Plan (RBP), as permitted by California retirement law.

IRC and Treasury Regulations further state that retirement benefits paid by CalPERS must be aggregated with any other defined benefit a retiree may receive from the same employer (i.e., the state of California paid by the judges' Retirement System (JRS) or Judges' Retirement System II (JRS II)). At the time of retirement, if a retiree has membership in JRS, JRS II, and CalPERS their retirement benefits must be aggregated for the purpose of 415(b) testing. (Gov. Code § 21754).

Effective January 1, 2013, only retirees with a CalPERS membership date prior to January 1, 2013 are eligible for the RBP in retirement.

The RBP is funded by replacement benefit contributions paid by all the retiree's former CalPERS employers.

When a retiree's retirement allowance exceeds the IRC 415 limit CalPERS invoices all the retiree's former employers for the amounts payable from the RBP. The invoice payments are deposited into the Replacement Benefit Fund (RBF). CalPERS issues a payment from the RBF to the participant. Full payment of the employer invoices is required before any replacement benefits can be issued to a participant.

Every CalPERS employer is deemed to participate in the RBP by statute. CalPERS' authority to administer the RBP is set forth in Gov. Code section 21750 et seq., and in Title 2 of the Code of Regulations section 589 et seq.

All statutory references are to the Government Code, and all regulation references are to Title 2 unless indicated otherwise.

Under section 21761, "all contracting agencies under this system shall be deemed to have elected to contract with the board for administration of the replacement benefit plan". The Replacement Benefit Custodial Fund (RBP Fund) from which amounts exceeding IRC § 415 limits are paid, is separate and apart from the retirement fund.

(Gov. Code § 21758, subd. (a)). Employers are required to pay into the RBP Fund "amounts equivalent to the benefits that are not paid from the retirement fund to annuitants because of the application of the payment limitations under Section 415 of Title 26 of the United States Code; and administrative costs assessed to and paid by members enrolled in the replacement benefit plan." (Gov. Code § 21758, subd. (c), and Cal. Code Regs., tit. 2, § 589.4, subd. (a) and (b)).

For additional information about IRC 415 and the RBP, refer to the Replacement Benefit Plan Fact Sheet (PDF).

Social Security & Public Employees

Are Public Employees Covered by Social Security?

Yes, public employees can be covered by Social Security benefits if the employer contracts for an optional Section 218 Agreement. The section 218 Agreement allows employers that offer a government pension to also offer Social Security benefits to their employees. To learn more about contracting for coverage under the Section 218 agreement, contact the State Social Security Administrator program by email at **sssa@calpers.ca.gov** or visit our website at www.calpers.ca.gov/sssa.

Employees who have contributed to Social Security can sign up for a my Social Security account to access their Social Security Statement, review estimates of future Social Security retirement benefits, and more.

Web Services & Publications

CalPERS Web Services

myCalPERS

myCalPERS is a self-service, web-based platform developed for employers, business partners, and members to conduct business with CalPERS. myCalPERS offers robust services by providing faster and

more reliable service to all CalPERS customers, while ensuring that all business transactions with CalPERS are quick, easy, and secure.

You can find specific information about this system by accessing the myCalPERS Technical Requirements webpage and/or the myCalPERS Student Guides & Resources webpage on the CalPERS website.

Employees have access to their real-time account information. They can access the information submitted on their behalf by their employers, including appointment, payroll, and service credit information. With a myCalPERS account, employees can securely manage their benefits, review their records for accuracy, and address questions or discrepancies promptly.

Employers play a critical role in empowering employees to take advantage of these tools. Encouraging eligible new hires to register during onboarding and reminding current staff to activate their accounts helps ensure members have secure, direct access to their information. Promoting account activation supports transparency, reduces administrative follow-up, and streamlines communication between employers and employees.

It is critical to stay current with information reported to CalPERS on behalf of your employees. Employer accuracy and promptness will alleviate concerns or questions members may have with their CalPERS account and the information provided by your agency.

System Access Administration

An agency's myCalPERS system access administrator (SAA) is a key point of contact. This person is accountable for providing and maintaining myCalPERS access to system users. This involves utilizing system administrator pages in myCalPERS to associate predefined access roles with each contact and assign the username and password. In addition, they have the responsibility to reset a user's password, lock a user's access rights to myCalPERS, and change a user's access role(s). Find specific information about SAA on our System Access Administrators webpage.

CalPERS Website

The CalPERS website provides instant access to general CalPERS information for employers, members, and the public.

The CalPERS website highlights information about CalPERS retirement plans, health benefit programs, and pension fund investments. Refer to the comprehensive Employers section to find the following information:

- Actuarial Resources
- Benefit Programs
- Contracts
- myCalPERS Technical Requirements
- Policies & Procedures
- Resources

The Contact link at the top of every page directs you to information about how to contact CalPERS.

The CalPERS website supplements the existing telephone and in-person services at our headquarters and Regional Offices.

If you have any comments or suggestions regarding the website, contact CalPERS through the online Questions, Comments & Complaints form or call the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

CalPERS Employer Bulletin

CalPERS Employer Bulletins provide the latest news and information regarding Circular Letters, Board of Administration information, and other communications, tailored specifically for employers via email. Agency personnel (i.e., accounting and payroll staff, health benefits officers, city managers, administrators, etc.), and other interested parties can benefit from this service by receiving CalPERS Employer Bulletins directly in their email inbox as soon as news is released. Each CalPERS Employer Bulletin comes in plain text format for easy reviewing and email retrieval and contains direct links to the actual employer information on the CalPERS website.

You can sign up for CalPERS Employer Bulletins through the Email Subscriptions webpage on the CalPERS website.

Circular Letters

Circular Letters are a uniform method of communicating with state agencies, schools, and public agencies. CalPERS uses Circular Letters to keep employers informed of changes to CalPERS policies and procedures, as well as to share important information and announcements. These letters provide important documentation to reference when working on CalPERS issues. You can receive an email informing you of the release of a new letter by subscribing to the CalPERS Employer Bulletin.

The CalPERS website has an archive of letters going back to 1996. Search by date, keyword, or number to find the information you need.

Subscriptions Services

CalPERS Email Subscriptions are your direct link to the latest CalPERS news and information by email. Available subscriptions include:

- Board Meeting Notices and Agenda Alerts
- CalPERS Legislative News
- CalPERS News
- Employer Bulletin
- Member Education Bulletin
- Regulatory Actions
- State Social Security Administrator Program Newsletter

Board Meeting Notices and Agenda Alerts are a direct link to Board of Administration Meeting Notices and Agendas as soon as they are available.

CalPERS Legislative News provides updates on CalPERS policy issues and actions.

CalPERS News is our newsletter delivered directly to your email as the news happens for important information on issues and activities impacting CalPERS programs and services.

Employer Bulletins are the latest employer-related news and information sent directly to your email inbox.

Member Education Bulletin provides class scheduling information, including dates for CalPERS member education events, videos, and instructor-led classes.

Regulatory Actions enables you to receive updates on proposed CalPERS regulatory actions.

Finally, the State Social Security Administrator Program Newsletter delivers information about Social Security and Medicare coverage for state and local government employees.

Ordering Forms & Publications

Forms & Publications are available through myCalPERS or the CalPERS website.

Ordering via myCalPERS

You can order Forms & Publications via myCalPERS by selecting **Requests** to access the Publication Ordering List.

Size of Order

When ordering supplies, limit your order to three publications with a maximum of 150 copies for each. myCalPERS keeps a record of the supply needs of each agency. If you order an excessive number of forms or publications, we'll reduce your order to the maximum amount allowed

Downloading via the CalPERS Website

Forms & publications are available for download on the CalPERS website through the Forms & Publications webpage.

Other Publications

Access Public Employees' Retirement Law (PERL) to find the latest PERL published by Lexis-Nexis annually.

If you need assistance, call the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

List of CalPERS Member Publications

The following member publications may help you convey CalPERS benefit information to your employees. All publications are available in Forms & Publications webpage on the CalPERS website.

- Your CalPERS Benefits: Planning Your Service Retirement (PUB 1) (PDF)
- Welcome to CalPERS: A Benefits Guide for School Members (PUB 3) (PDF)
- Welcome to CalPERS: A Benefits Guide for Public Agency Members (PUB 5) (PDF)
- What You Need to Know About Your CalPERS National Guard Benefits (PUB 11) (PDF)
- Service Credit Purchase Options (PUB 12) (PDF)
- Temporary Annuity (PUB 13) (PDF)
- Partial Service Retirement (PUB 14) (PDF)
- Military Service Credit Options (PUB 15) (PDF)

- A Guide to CalPERS When You Change Retirement Systems (PUB 16) (PDF)
- Special Power of Attorney (PUB 30) (PDF)
- Retired Member Death Benefits (PUB 31) (PDF)
- A Guide to CalPERS Employment After Retirement (PUB 33) (PDF)
- Disability Retirement Election Application (PUB 35) (PDF)
- Reinstatement From Retirement (PUB 37) (PDF)
- Community Property (PUB 38A) (PDF)
- CalPERS Model Domestic Relations Orders (PUB 38B) (PDF)
- A Guide to Completing Your CalPERS Service Retirement Application (PUB 43)(PDF, 3 MB)
- Nonmember Service Retirement Election Application (PUB 44) (PDF)
- Changing Your Beneficiary or Monthly Benefit After Retirement (PUB 98) (PDF)

Education & Other Resources

CalPERS Education & Events

CalPERS provides various education and training offerings to assist you and your employees in conducting business with CalPERS as well as learn about member benefits. You can find important information, additional resources, and quick tips to help you maximize the services we offer by reviewing the Employer Education webpage on the CalPERS website.

Employer Education

Our employer classes are designed to help you understand your business-related reporting responsibilities. You'll learn how to effectively use myCalPERS and avoid late fees and administrative costs.

We recommend taking the Business Rules classes before the myCalPERS classes to ensure a comprehensive and well-structured CalPERS education experience.

Business Rules Classes

Gain a better understanding of the laws and rules associated with your agency's retirement and/or health contract. Our Business Rules classes are employer-specific and customized to your employer type: school, public agency, or state.

Business Rules (3 hours) – Discover valuable resources to assist you with your CalPERS-related business. Learn about reference guides, retirement contracts, membership, payroll, special compensation, retirement benefits, reporting responsibilities, and the CalPERS website.

Advanced Membership (1.5 hours) — Go beyond the basics of membership reporting with information on the laws and rules associated with correctly enrolling and reporting your employees' CalPERS membership. Topics include employment certification, membership qualifications, reciprocal self-certification, independent contractors, and post-retirement employment. We recommend you take the Business Rules class for your agency type prior to taking an advanced class.

Advanced Compensation (1.5 hours) — Expand your knowledge about the laws and rules associated with compensation reporting. Topics include pay schedule compliance, compensation limits and how to report them, reporting scenarios and errors, and language templates for labor agreements. We recommend you take the Business Rules class for your agency type prior to taking an advanced class.

Business Rules: Health (2.5 hours) — Understand your responsibilities as a CalPERS health benefits officer. Learn about the health plan options, eligibility and enrollment requirements, health benefits into retirement, health resources on the CalPERS website, health benefits guides, and reporting responsibilities.

Hiring Retired Annuitants: Focus Session (2 hours) — Strengthen your understanding of how to confidently hire and manage retired annuitants while staying compliant. In this interactive session, we'll explore key considerations for hiring retirees, break down important rules and restrictions, and highlight the potential consequences of noncompliance. You'll also be introduced to our new Retired Annuitant Hiring Questionnaire, a practical tool designed to support compliant hiring decisions.

myCalPERS Classes

Learn how to navigate and process transactions in myCalPERS. Attend an in-person or virtual class for hands-on experience where you can complete transactions in a training environment.

myCalPERS Retirement Enrollment (2.5 hours) — Verify membership status, add and change appointments for active employees and retired annuitants, and reconcile and maintain appointment statuses.

myCalPERS Health Enrollment (3 hours) — Process new health enrollments and changes, rescind a transaction, review health enrollment details, change a dependent's demographics, and run health reports.

myCalPERS Payroll Reporting (2.5 hours) — Use the online-data-entry method to create an earned period report, add and maintain records, process a report, and reconcile missing payroll.

myCalPERS Payroll Adjustments (2.5 hours) — Use the online-data-entry method to report retroactive payroll records and make corrections.

myCalPERS Reports (1.5 hours) — Run reports in myCalPERS. Note: On March 9, 2026, the myCalPERS Reports tool will replace the Cognos tool in myCalPERS.

myCalPERS System Access Administration (2 hours) — Learn the roles and responsibilities of a myCalPERS system access administrator, add and maintain your agency's contacts, system users, and information.

Delivery Methods

Self-Paced Online Classes

These are available 24/7 through your myCalPERS business partner account. Classes are designed to help you understand retirement and health business rules, navigate myCalPERS, and complete transactions efficiently.

Instructor-Led Training (ILT)

Our in-person and virtual classes are presented by CalPERS educators. You can learn retirement and health business rules or how to navigate and process transactions in myCalPERS.

These classes are delivered onsite at CalPERS Regional Offices and select alternate locations throughout the state of California.

CalPERS offers special request classes for those public agency and school employers who need additional assistance. Contact our employer educators by email at CalPERS_Employer_Communications@CalPERS.ca.gov for more information.

Training Dates & Locations

Schedule details and registration tools are available in your business partner myCalPERS account under the **Education** tab. For class listings and materials, visit the Business Rules & myCalPERS Classes webpage.

How to Enroll

To register for an employer class and to review the self-paced online classes, log in to myCalPERS and enroll under the **Education** tab.

You may enroll yourself or your employees by:

- Choosing the Education tab and selecting the **Select a Class** link
- Select the class title link
- From the Class Details page, select the **Enroll** link
- Select who you would like to enroll (i.e., yourself, your employees, or both)
- Select the **Next** button to enter contact information for each enrollee

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

CalPERS Employer Educational Forum

CalPERS hosts a three-day Educational Forum each fall dedicated exclusively to employer-focused topics. The forum provides employers with timely CalPERS information, educational sessions, and opportunities to engage with CalPERS Board members and team members.

Registration materials are generally available in July. If you have not attended this popular event previously and would like to be added to our direct mailing list, please e-mail your request to: CalPERS_Educational_Forum@calpers.ca.gov. For more information, visit the CalPERS Educational Forum webpage.

Member Education

Our member education resources provide your employees with valuable information about their CalPERS membership benefits, savings, health programs, and available online resources.

Educational Resources

Employer-Sponsored Retirement Planning Classes for Members

CalPERS Regional Office team members conduct employer-sponsored retirement planning classes virtually and in-person at the employer's facility. The class provides customized explanations of the benefits contracted by the employer. A minimum audience of 20 is recommended to request an employer-sponsored class. If the audience will be fewer than 20, contact CalPERS.

To request an employer-sponsored class, call the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

Retirement Classes for Members

We offer five classes, either online or instructor-led, throughout California to help members prepare for retirement. Each class is based on a member's career life cycle. Your employees can explore and enroll in classes utilizing our intuitive **Education** tab in their myCalPERS account. This tab enables them to review descriptions of classes as well as check the availability of those classes. They can also enroll by calling the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

Your CalPERS and You

Members get a basic understanding of CalPERS benefits. They learn about how the retirement benefit is calculated, the options they have to set aside money for retirement in addition to their pension, what happens if they pass away or leave their employer before they retire, the importance of having a power of attorney on file, what they can find and do in their myCalPERS account and more.

Planning Your Retirement – For members within 10 years of retirement

This is our most comprehensive benefits education class that provides a deeper understanding of your employees' benefits as they begin to prepare for retirement. They will learn how their pension is calculated, ways to increase it, and the payment options available upon retirement to provide for a beneficiary. They will learn how to run estimates through their myCalPERS account. In this class, they'll also learn about the CalPERS Special Power of Attorney, employer-contracted CalPERS health benefits, and much more.

Your Retirement Application and Beyond – For members ready to apply for retirement

This class is designed for those members who have completed the Planning Your Retirement class and are ready to fill out their retirement application. They will be guided through completing their application. This class provides important post-retirement information, such as how to ensure they receive their first check on time, how to change direct deposit, tax withholdings and lump sum beneficiary information after retirement. We will also cover continuation of employer contracted CalPERS health benefits into retirement.

Completing Your Disability Retirement Application (Online Only)

Did you know that your employees, or someone on their behalf, can file a Disability Retirement Election Application for their retirement? If they have a disabling injury or illness that prevents them from performing their usual job duties with their current employer, they may be eligible for disability

retirement. In this class, employees will learn how and when to apply, which forms to complete based on their personal situation, and the importance of having a special power of attorney on file.

Benefits Basics (Employer Requested, Instructor-Led Only)
This class provides a general overview of CalPERS benefits and the choices employees have to maximize their retirement security.

How to Enroll

Advise your employees to log into their myCalPERS account, select the **Education** tab, then select the **Classes** tab to find a class that is convenient for them.

Videos

Did you know that your employees can take advantage of our free monthly videos? Visit our website at www.calpers.ca.gov to access a list of our upcoming videos. They are posted on our CalPERS YouTube channel for future viewing.

CalPERS Benefits Education Events

Because we understand that planning and education are crucial components to making sound decisions, we offer free educational events about CalPERS benefits and programs to your employees at every stage of their career.

The CalPERS Benefits Education Events (CBEEs) are offered throughout California and provide informative classes such as: CalPERS Health Benefits, CalPERS Retirement Benefits, Save & Invest, Social Security, and Your CalPERS Retirement Options . Classes are uniquely tailored for employees who are early through mid-career, as well as for those nearing retirement.

These popular events are designed to reach out to employees who show an early interest in planning for their eventual retirement, as well as for those nearing retirement. Employees will have the opportunity to attend and ask questions about their benefits, along with what steps they need to take for the next phase of their career, from CalPERS representatives and partner organizations.

Member Education Bulletin

CalPERS Email Subscriptions are your direct link to the latest CalPERS news and information. Stay informed about our free educational opportunities.

Subscribe to the Member Education Bulletin to help you and your employees know about upcoming member education offerings. This email bulletin provides information about upcoming CalPERS education events, such as videos, instructor-led classes, and CBEEs. Share this useful tool with your employees so they can get connected to great educational opportunities.

To subscribe, visit the Email Subscriptions webpage, enter your email address, select **Subscribe**, and follow the simple steps to complete your subscription. Subscriptions are also available for Board Meeting Notice & Agenda Alerts, Employer Bulletins, and CalPERS News.

CalPERS 457 Plan

The CalPERS 457 Plan is a deferred compensation plan administered by CalPERS for public agency and school employers and their employees.

It provides employees with a low-cost, convenient way to save for retirement through payroll deductions. There is no cost to your agency and it's an added benefit that your employees will feel good about.

CalPERS administers the 457 Plan for more than 860 agencies throughout California, with record keeping and participant education services provided by Voya®, the fifth-largest defined contribution plan record keeper in the nation.

When you sign up for the CalPERS 457 Plan, we will take care of the rest. CalPERS:

- Acts as the trustee of your employees' deferred compensation assets
- Leverages existing payroll deduction feeds into myCalPERS to receive your employees' CalPERS 457 Plan deferrals and loan repayments
- Manages service levels with administrative service providers
- Selects the investment line-up options

Funds are managed internally by CalPERS in-house investment team members and external institutional investment managers under contract to CalPERS.

Benefits to Employees

- The convenience of saving for retirement through payroll deduction
- A competitively priced plan, with total fund expenses of 0.19% - 0.32%
- A proprietary lineup of core institutional investments, including Target Retirement Date Funds specifically designed for public employees based on the latest research in portfolio theory and behavioral finance
- Financial education and support by licensed, experienced local representatives

Low Fees

CalPERS understands that low costs are essential to successful long-term investing for retirement. The 457 Plan’s "all-in" fee structure is simple, fair, and includes all administrative/recordkeeping fees as well as investment fees. To keep fees as low as possible, CalPERS does not engage in revenue sharing or administrative expense reimbursement. CalPERS also keeps close tabs on the industry to ensure fees remain competitive.

Institutional Funds

To provide a simpler approach to investing, the 457 Plan offers a streamlined lineup of investment options. CalPERS has selected six index funds from different asset classes that serve as the 457 Plan’s core funds. These funds also comprise the 457 Plan’s target retirement date funds which offer a diversified portfolio in one fund. Participants select a fund, and CalPERS manages the asset allocation of each fund. Participants who prefer to select and manage their asset allocation instead of picking a target retirement date fund can choose among the 457 Plan’s core funds.

Schwab Personal Choice Retirement Account® (PCRA)

A self-directed brokerage option is also available for experienced investors through Schwab's Personal Choice Retirement Account® (PCRA). Through PCRA, participants can access more than 8,700 no-load mutual funds from over 600 well-known fund families, including over 2,700 funds typically available only to institutional clients. Over 3,800 mutual funds are available with no-loads and no-transaction fees. Other investments now include individual stocks from all the major exchanges, bonds and other fixed income investments, CDs, and money market funds.

Participant Education

Our regional account managers support your employees and retirees with on-site and online education services, including one-on-one appointments, upon request. We can also help your employees coordinate their 457 Plan account with other retirement benefits. The 457 Plan delivers additional value with the latest in financial education, plus planning and investing tools from Voya®. Participants can access their accounts, education, and tools 24/7 using the 457 Plan website, toll free telephone number, and their mobile devices.

For information on how to adopt the CalPERS 457 Plan as an agency, visit the CalPERS 457 Plan Employer Resource Center at www.calpers-sip.com, or call us toll free at (800) 696-3907 to speak with a representative.

For information on how to enroll in the CalPERS 457 Plan as a participant, contact your agency benefits coordinator to obtain the CalPERS 457 Plan participant enrollment kit or call toll free (888) 713-8244 to discuss enrollment with a regional account manager.

California Employers' Retiree Benefit Trust (CERBT) Fund

The California Employers' Retiree Benefit Trust (CERBT) Fund is an investment vehicle that can be used by all eligible California public employers to prefund Other Post-Employment Benefits (OPEB) such as health, vision, dental, and life insurance.

Overview

The CERBT Fund is an agent multiple-employer OPEB trust plan administered by CalPERS, a California State agency, in compliance with Internal Revenue Code (IRC) section 115 and with Governmental Accounting Standards Board (GASB) Statements. CERBT is an investment vehicle dedicated to prefunding OPEB for all eligible California public agencies, even for those with no other relationship with CalPERS. By joining this trust fund, California public employers can help finance future OPEB costs in large part from the investment earnings provided by CalPERS. Since its launch in 2007, more than 600 California public employers chose CERBT as their OPEB trust fund.

Why prefund?

- Contributes to preserving a positive credit rating
- Generates investment income from employer-controlled contributions to pay for future retiree benefits
- Reduces future employer cash flow requirements and budget dependency with investment

- Reduces OPEB liabilities reported on employer annual financial statements

Benefits of investing with the CERBT Fund

As one of the nation's largest public-employer OPEB trust funds, we strive to sustain retiree health benefits. We do so by delivering an uncomplicated, low-cost investment and administration program, high-quality service, compliance reporting, and education about the value of prefunding retiree healthcare benefits.

- Personal direct service and support
- Financial reporting compliant with governmental accounting standards
- All services provided at a single, low cost
- Assistance with GASB compliance and financial reporting
- Investment management by experts at CalPERS and internationally renowned consultants
- No revenue sharing agreements, surrender/withdrawal/deferred sales charges, investment performance charges, or minimum fee requirements
- Simple, straightforward administrative procedures

CERBT Fund Webinars

Employers are encouraged to attend an upcoming workshop to learn about the features and benefits of the CERBT Fund. Topics include:

- Asset allocation strategies
- Contracting process
- GASB updates and compliance
- Investment management and fiduciary responsibility
- Program simplicity
- Low-cost services

You can register for a webinar on our Prefunding Programs Webinars webpage.

For more information on CERBT:

- Visit the CalPERS California Employers' Retiree Benefit Trust (CERBT) Fund webpage
- Email us at: CERBT4U@calpers.ca.gov
- Call the Prefunding Programs team at (916) 795-8454

CalPERS Health Benefits (PEMHCA)

The CalPERS Health Benefits Program is governed by the Public Employees' Medical and Hospital Care Act (PEMHCA) of the California Public Employees' Retirement Law (Gov. Code sections 22750 and 22777). The program was established in 1962 to provide health care for employees of the State of California, including the California State University System (CSU). In 1976, legislation was passed to allow other public employers, such as cities, counties, and school districts, to join the program. Currently, CalPERS provides health benefits to more than 1.5 million covered lives.

Effective January 1, 1986, a school district, County Board of Education, County Superintendent of Schools, or a personnel commission of a school district may contract for health insurance coverage through CalPERS (Gov. Code sections 22856 and 22857).

Contracting public agencies must offer all eligible active and retired employees an opportunity to enroll in a CalPERS health plan of their choice (Gov. Code sections 22830 and 22853). All employers are required by statute to contribute toward the cost of the health plan premium. Premiums and health plan benefits are approved annually by the CalPERS Board of Administration.

The CalPERS Health Benefits Program offers a choice of health plans to provide Basic coverage to active employees and a supplement to Medicare and Managed Medicare coverage for retired members. Eligible enrollees can choose between a variety of Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs), Exclusive Provider Organizations (EPOs), and employee association plans.

HMOs

CalPERS offers several HMOs, each serving specific geographic areas. Except for out-of-area emergencies, HMO members receive all their care from HMO doctors with a small co-payment for most services and supplies.

PPOs

CalPERS offers two self-funded PPO plans – PERS Platinum and PERS Gold. PERS Gold is available in all California counties. Members must reside or work in one of the 54 counties in which PERS Gold is available to enroll in the plan. PERS Gold offers a PPO network through Blue Shield of California. PERS Platinum offers out-of-area and worldwide emergency services and urgent coverage.

EPOs

CalPERS offers one EPO plan and is only available in certain rural geographical areas. CalPERS offers Blue Shield of California (EPO). EPOs provide the same covered service and low costs of an HMO with a broad network and the same flexibility as a PPO.

Employee Association Plans

CalPERS offers employee association health plans. An enrollee must belong to the specific employee association and pay applicable dues to enroll in one of these plans.

For further information on health insurance benefits, refer to the Public Agency & Schools Health Benefits Guide (PDF), visit the CalPERS website at www.calpers.ca.gov or contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

CalPERS Long-Term Care

The CalPERS Long-Term Care Program offers long-term care benefits as an option to members. It is not an employer-paid benefit and is entirely funded by member premiums and the investment of those premiums.

CalPERS has temporarily suspended open enrollment for the Long-Term Care Program due to current uncertainty in the long-term care market. Therefore, until further notice, we no longer accept new applications for coverage.

If you're already a CalPERS Long-Term Care policyholder and have questions about your coverage, call LTC/illumifin customer service Monday through Friday, 8:00 a.m. to 6:00 p.m. (Pacific Time) at (800) 982-1775.

Appendix A

These forms are included only as examples for your reference and are not currently available through the CalPERS Forms & Publications webpage. Although these forms were current as of the publication date of this Guide, CalPERS forms are subject to revision.

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Resolution No. 1

Determination of a Member's Disability by the Governing Body

Instructions:

1. If the finding is that the member is not disabled, use only this resolved clause and include the denied condition(s) and body parts. The agency should send out a determination letter to the member, providing the timeframe of the appeal and how to file an appeal.
2. Use this clause to state whether or not the member had filed a Workers' Compensation claim(s). If yes, state whether or not the claim is approved, pending, or denied. If not or the claim was denied, the agency should approve the member for disability retirement only.
3. If the finding is that the member is substantially disabled, use this clause to state whether or not the disability was a result of injury or disease arising out of and in the course of employment.
4. Select one:
    a. If the finding is that the member is substantially disabled, use this clause if neither the member nor the agency seeks a determination by the Workers' Compensation Appeals Board, pursuant to Gov. Code section 21166.
    b. Use this clause if a petition has been or will be filed by either party.
5. In the determination of the retirement effective date, the member may exhaust unused sick leave and/or compensating time off unless the provisions of a local ordinance or resolution or the rules or regulations of the employer provide to the contrary. The member may also exhaust Labor Code 4850 unless the member is deemed permanent and stationary by the Workers' Compensation Appeals Board. The last date paid will dictate the retirement effective date.

6. Use this clause to state that there is, or is not, a possibility of third-party liability: i.e., whether or not the member's disability was caused by negligence or an intentional act of a party other than the employer.
7. Use this clause to state whether or not the member will be paid Advanced Disability Pension Payments, and if so, how much.
8. Use this clause to state the member's primary disabling condition and body parts.
9. Use the clause to certify the member's disability duration. Only use one of the three listed durations that is based on competent medical opinion (Gov. Code section 20026).

SAMPLE RESOLUTION NO. 1 (a) for Approval Determination

RESOLUTION OF

_____
(governing body)

_____
(agency)
(Government Code section 21156)

WHEREAS, the _____ (hereinafter referred
(name of agency)

to as Agency) is a contracting agency of the California Public Employees' Retirement System (CalPERS):

WHEREAS, the California Public Employees' Retirement Law requires that a contracting agency determine whether an employee of such agency in employment in which he/she is classified as a local safety member is disabled for purpose of the California Public Employees' Retirement Law and whether such disability is "industrial" within the meaning of such law:

WHEREAS, an application for

_____
(disability/industrial disability retirement)

of_____ from _____employed by the Agency in
(disability allegation, body parts) (member's name)

the position of _____ has been filed with CalPERS; And
(job title)

WHEREAS, the _____ has reviewed the medical and other
(name of governing body)

evidence relevant to such alleged disability.

(1) NOW. THEREFORE. BE IT RESOLVED:

That the _____ find and determine and it does hereby
(name of governing body)

incapacitated within the meaning of the California Public Employees' Retirement Law for performance of his/her duties in the position of _____ for
(job title)
_____ and does
(condition(s), body parts)
hereby certify under penalty of perjury that this determination was made on the basis of competent medical opinion and was not used as a substitute for the disciplinary process in accordance with Government Code section 21156(a)(2). If any of the following disciplinary process occurred before the member's separation from employment, all relevant personnel documents were forwarded to CalPERS for determination of the member's eligibility for disability retirement and CalPERS' determination that the member is eligible to apply for disability retirement was obtained prior to starting the process of determination.

- Disciplinary process was underway prior to the member's separation from employment.
- Terminated for cause.
- Resigned or service retired in lieu of termination.
- The member signed an agreement to waive their reinstatement rights as part of a legal settlement (i.e., Employment Reinstatement Waiver).
- Convicted of or is being investigated for a work-related felony.

(2) _____ _____ filed a Workers' Compensation
(member's name) (had / had not)

claim(s) for his/her disabling condition(s). The Workers' Compensation claim(s)
_____ _____.
(was / were) (accepted / pending / denied)

(3) BE IT FURTHER RESOLVED THAT THE _____
(name of governing body)

hereby find and determine that such disability _____ a disease arising out
(is) / (is not)
of and in the course of employment with the agency.

(4A) Neither said _____nor the agency _____
(member's name) (name of agency)

has applied to the Workers' Compensation Appeals Board for a determination pursuant to Government Code section 21166 whether such disability industrial.

OR

SAMPLE RESOLUTION NO. 1 (a) (continued)

(4B) BE IT FURTHER RESOLVED THAT A PETITION _____
(will be filed) / (has been filed)

with the Workers' Compensation Appeals Board for a determination pursuant to Government Code section 21166; and a copy of such determination _____.
(is attached) / (will be provided when rendered)

AND

(5) BE IT FURTHER RESOLVED that the last date paid in the position of _____after expiration of his/her rights under Gov. Code
(job title)
sections 21163 and 21164, is effective _____ and that no dispute as
(date)
to the expiration of such leave rights is pending. The member _____
(will exhaust) / (has exhausted)
unused sick leave, compensating time off or Labor Code 4850 until the last date paid.

(6) There _____ a possibility of third-party liability.
(is) / (is not)

(7) Advanced Disability Pension Payments _____be made. (If payments
(will) / (will not)
will be made, provide amount and frequency.) The payments will be made _____ in the amount of $_____beginning_____.
(bi-weekly, monthly, etc.) (amount) (date)

(8) The primary disabling condition is _____, _____.
(condition) (body part(s))

(9) The duration of the disabling condition is expected to _____ _____which is certified by competent medical opinion.

(i) be permanent, or
(ii) is expected to last at least twelve consecutive months from the date of the application for benefit, or (iii) will result in death

(Signatures and other notations by governing body named including vote count by name, printed name, job title, and date)

SAMPLE RESOLUTION NO. 1 (b) for Denial Determination

RESOLUTION OF

_____
(governing body)

_____
(agency)
(Government Code section 21156)

WHEREAS, the _____ (hereinafter referred
(name of agency)

to as Agency) is a contracting agency of the California Public Employees' Retirement System (CalPERS):

WHEREAS, the California Public Employees' Retirement Law requires that a contracting agency determine whether an employee of such agency in employment in which he/she is classified as a local safety member is disabled for purpose of the California Public Employees' Retirement Law and whether such disability is "industrial" within the meaning of such law:

WHEREAS, an application for

_____
(disability/industrial disability retirement)

of_____ from _____employed by the Agency in
(disability allegation, body parts) (member's name)

the position of _____ has been filed with CalPERS; And
(job title)

WHEREAS, the _____ has reviewed the medical and other
(name of governing body)

evidence relevant to such alleged disability.

NOW. THEREFORE. BE IT RESOLVED:

That the _____ find and determine and it does hereby
(name of governing body)

find and determine that_____ is not substantially
(member's name)

Resolution No. 2

Determination of Disability by the Official Delegate

This Resolution is made by an Official Delegate appointed by the Governing Body. The Governing Body delegates the authority to determine the disability with a written "Delegation of Authority" (Resolution No. 3). A copy of the "Delegation of Authority" (Resolution No. 3) should be attached to the Determination of Disability (Resolution No. 2).

Instructions:

1. If the finding is that the member is disabled, use Resolution No. 2 (a) and refer to items #2 to #8 below. If the finding is that the member is not disabled, use Resolution No. 2 (b). Items #2 to #8 below don't apply. The agency should send out a determination letter to the member providing the timeframe of the appeal and how to file an appeal.
2. Use this clause to state whether or not the member had filed a Workers' Compensation claim(s). If yes, whether or not the claim is approved, pending, or denied.
3. Select one:
    a. If the finding is that the member is substantially disabled, use this clause to state whether or not the disability was the result of injury or disease arising out of and in the course of employment with the agency.
    b. If the finding is that the member is substantially disabled, use this clause if a petition has been or will be filed by either party.
4. In the determination of the retirement effective date, the member may exhaust unused sick leave and/or compensating time off unless the provisions of a local ordinance or resolution or the rules or regulations of the employer provide to the contrary. The member may also exhaust Labor Code 4850 unless the member is deemed permanent and stationary by the Workers' Compensation Appeals Board. The last date paid will dictate the retirement effective date.
5. Use this clause to state that there is, or is not, a possibility of third-party liability, i.e., whether or not the member's disability was caused by negligence or an intentional act of a party other than the employer.
6. Use this clause to state whether or not the member will be paid Advanced Disability Pension Payments, and if so, how much.
7. Use this clause to state the member's primary disabling condition and body parts.
8. Use this clause to certify the member's disability duration. Only use one of the three listed durations that is based on competent medical opinion (Gov. Code section 20026).

SAMPLE RESOLUTION NO. 2 (a) for Approval Determination

(1) Pursuant to the authority delegated to me by action of _____
(governing body)
of_____ (hereinafter referred to as Agency) dated _____
(name of agency)

and pursuant to the authority under Government Code section 21173, after review of medical and other evidence relevant thereto, I hereby determine that
_____, a local safety member of the California Public
(member's name)

Employees' Retirement System (CalPERS) employed by the Agency, substantially incapacitated within the meaning of the California Public Employees' Retirement Law for performance of his/her duties in the position
of _____ for _____ condition(s).
(job title) (body parts)

I hereby certify under penalty of perjury that this determination was made on the basis of competent medical opinion and was not used as a substitute for the disciplinary process. If any of the following disciplinary process occurred before the member's separation from employment, all relevant personnel documents were forwarded to CalPERS for determination of the member's eligibility for disability retirement and CalPERS' determination that the member is eligible to apply for disability retirement was obtained prior to starting the process of determination.

- Disciplinary process was underway prior to the member's separation from employment.
- Terminated for cause.
- Resigned or service retired in lieu of termination.
- The member signed an agreement to waive their reinstatement rights as part of a legal settlement (i.e., Employment Reinstatement Waiver).
- Convicted of or is being investigated for a work-related felony.

(2) _____ _____ filed a Workers' Compensation claim(s)
(member's name) (had / had not)

for his/her disabling condition(s). The Workers' Compensation claim(s) _____
(was / were)
_____.
(accepted / pending / denied)

(3A) Pursuant to such authority I also determine that such incapacity _____ a

(is) / (is not)
result of injury or disease arising out of and in the course of his/her employment as a local safety member with the agency. I certify that neither the Agency nor the member has filed a petition for determination under Government Code section 21166, to be made by the Workers' Compensation Appeals Board.

OR

(3B) A petition for determination under Government Code section 21166 whether such disability is the result of injury or disease arising out of and in the course of his/her employment by the Agency, in which he/she was a local safety member, has been filed with the Workers' Compensation Appeals Board. A certified copy of such a determination _____.
(is attached) / (will be provided when rendered)

(4) I hereby certify that the last date paid in the position of _____
(job title)
after expiration of his/her leave rights under Gov. Code sections 21163 and 21164 is effective _____and that no dispute as to the expiration of such leave
(date)
rights are pending. The member _____ unused sick leave,
(will exhaust) / (has exhausted)
compensating time off or Labor Code 4850 until the last date paid.

(5) There _____a possibility of third-party liability.
(is) / (is not)

(6) Advanced Disability Pension Payments _____be made. The
(will) / (will not)
payments will be made _____in the amount of $_____
(bi-weekly, monthly, etc.) (amount)
beginning _____.
(date)

(7) The primary disabling condition is _____, _____.
(condition) (body part(s)

(8) The duration of the disabling condition is expected to_____
_____, which is certified by competent medical opinion.

(iv) be permanent, or
(v) last at least twelve consecutive months from the date of the application for benefit or
(vi) will result in death

(Signature by delegated authority with printed name, job title, and date)

SAMPLE RESOLUTION NO. 2 (b) for Denial Determination

Pursuant to the authority delegated to me by action of _____
(governing body)
of_____ (hereinafter referred to as Agency) dated _____
(name of agency)

and pursuant to the authority under Government Code section 21173, after review of medical and other evidence relevant thereto, I hereby determine that _____, a local safety member of the California Public
(member's name)

Employees' Retirement System (CalPERS) employed by the Agency, is not substantially incapacitated within the meaning of the California Public Employees' Retirement Law for performance of his/her duties in the position of _____ for _____ condition(s).
(job title) (disability allegation, body parts)

I hereby certify under penalty of perjury that this determination was made on the basis of competent medical opinion and was not used as a substitute for the disciplinary process. If any of the following disciplinary process occurred before the member's separation from employment, all relevant personnel documents were forwarded to CalPERS for determination of the member's eligibility for disability retirement and CalPERS' determination that the member is eligible to apply for disability retirement was obtained prior to starting the process of determination.

- Disciplinary process was underway prior to the member's separation from employment.
- Terminated for cause.
- Resigned or service retired in lieu of termination.
- The member signed an agreement to waive their reinstatement rights as part of a legal settlement (i.e., Employment Reinstatement Waiver).
- Convicted of or is being investigated for a work-related felony.

(Signature by delegated authority with printed name, job title, and date)

Resolution No. 3

SAMPLE RESOLUTION NO. 3 – DELEGATION OF AUTHORITY

RESOLUTION OF _____
(Name of governing body)

_____
(Name of agency)

WHEREAS, the _____ (herein referred to as Agency)
(Name of agency)
is a contracting agency of the California Public Employees' Retirement System.

WHEREAS, the Public Employees' Retirement Law requires that a contracting agency determine whether an employee of such agency in employment in which he/she is classified as a local safety member is disabled for purposes of the Public Employees' Retirement Law and such disability is "industrial" within the meaning of such Law:

WHEREAS, _____has determined upon legal
(name of governing body)
advice that it may delegate authority under Government Code section 21173 to make such determinations to the incumbent of the office/position of _____.
(title)

NOW, THEREFORE, BE IT RESOLVED:

that the _____ delegate and it does hereby delegate
(name of governing body)
to the incumbent of the office/position of _____, authority to make
(title)
application on behalf of the Agency pursuant to Government Code section 21152 (c) for disability retirement of all employees and to initiate requests for reinstatement of such employees who are retired for disability;

BE IT FURTHER RESOLVED that _____delegate and it
(name of governing body)
does hereby delegate to the incumbent of the office/position of _____
(title)
authority to make determinations of disability on behalf of the Agency under Government Code section 21156 and whether such disability is industrial and to certify such determinations and all other necessary information to the California Public Employees' Retirement System.

(Signatures and other notations by governing body named including vote count by names, printed name, job title, and date)

Resolution No. 4

Determination of Re-Evaluation of a Former Member's Continued Qualification for Disability by the Governing Body

Instructions:

1. Use this clause to state whether or not the former member is substantially incapacitated.
2. Select one:
    a. Use this clause when the former member is no longer substantially incapacitated. The agency should send out a determination letter to the former member, providing the timeframe of the appeal and how to file an appeal.
    b. Use this clause when the former member is still substantially incapacitated

SAMPLE RESOLUTION NO. 4

RESOLUTION OF

_____
(governing body)

_____
(agency)

(Section 20221, Government Code)

WHEREAS, the _____ (hereinafter referred
(name of agency)

to as Agency) is a contracting agency of the California Public Employees' Retirement System:

WHEREAS, the California Public Employees' Retirement Law requires that a contracting agency to furnish the Board of the change in status of any former member resulting from reinstatement and any additional information concerning any former member that the Board may require:

WHEREAS, a re-evaluation on the continued qualification of disability retirement benefit of_____ employed by the Agency in the position of _____
(retiree's name) (job title)

was conducted based on the previous approved disabling condition;

_____
(disabling condition(s) and body parts)

AND

WHEREAS, the _____ has reviewed the medical and
(name of governing body)

other evidence relevant to such approved condition(s) and certify under the penalty of perjury that this determination was made based on competent medical opinion. The re-evaluation process is used to re-evaluate a former members previously approved disabling condition(s) and is not used to discover a new disabling condition(s).

(1) NOW. THEREFORE. BE IT RESOLVED:

That the _____ find and determine and it does
(name of governing body)

SAMPLE RESOLUTION NO. 4 (continued)

hereby find and determine that_____

(retiree's name)

_____ substantially incapacitated within the meaning of the
(continues to be) / (is no longer)

California Public Employees' Retirement Law for performance of his/her duties in the position of _____;
(job title)

AND

(2A) _____ will be reinstated to the position of
(retiree's name)

_____ effective _____.
(job title) (date)

His/Her disability retirement benefit will stop thereafter.

OR

(2B) _____'s disability retirement benefit will be continued.
(retiree's name)

(Signatures and other notations by governing body named including vote count by name, printed name, job title, and date).

Resolution No. 5

Determination of Re-Evaluation of a Former Member's Continued Qualification for Disability by the Official Delegate

This Resolution is made by an Official Delegate appointed by the Governing Body. The Governing Body delegates the authority to determine the continuous qualification of disability retirement benefit with a written "Delegation of Authority" (Resolution No. 3). A copy of the "Delegation of Authority" (Resolution No.3) should be attached to the Determination of Disability (Resolution No. 5).

Instructions:

1. Use this clause to state whether or not the former member is substantially incapacitated.
2. Select one:
    a. Use this clause when the former member is no longer substantially incapacitated. The agency should send out a determination letter to the former member, providing the timeframe of the appeal and how to file an appeal.
    b. Use this clause when the former member is still substantially incapacitated.

SAMPLE RESOLUTION NO. 5

(1) Pursuant to the authority delegated to me by action of _____
(governing body)

of_____ (hereinafter referred to as Agency) dated _____,
(name of agency)

I certify under the penalty of perjury that this determination on re-evaluation of continuous qualification of disability retirement benefit was made based on competent medical opinion. The re-evaluation process is used to re-evaluate a former members previously approved disabling condition (s) and is not used to discover a new disabling condition(s).

Pursuant to such authority, under Government Code section 21173, and after review of medical and other evidence relevant thereto, I hereby determine that
_____, a former local safety member of the
(retiree's name)
California Public Employees' Retirement System, employed by the Agency
_____ substantially incapacitated within the meaning of the
(continues to be) / (is no longer)
California Public Employees' Retirement Law for performance of his/her duties in the position of _____ for his/her previous approved
(job title)
disabling condition(s); _____
(disabled condition(s) and body part(s)

AND

(2A) _____ will be reinstated to the position of _____ effective
(retiree's name) (job title)

_____. His/Her disability retirement benefit will stop thereafter.
(date)

OR

(2B) _____'s disability retirement benefit will be continued.
(retiree's name)

(Signature by delegated authority with printed name, job title, and date)

Resolution No. 6

Determination of a Retiree's Voluntary Reinstatement From Disability Retirement by the Governing Body

Instructions:

1. Use this clause when the reinstatement is approved and provide a return-to-work date if the retiree returns to the same employer who retired them. CalPERS will follow up with the prospective employer for a return-to-work date if the retiree is to reinstate with a different employer.

Use this clause when the reinstatement is denied and provide reasons for the denial.

SAMPLE RESOLUTION NO. 6

RESOLUTION OF

_____
(governing body)

_____
(agency)

(Government Code section 21192 and 21193)

WHEREAS, the _____ (hereinafter referred to as Agency) is a
(name of agency)

contracting agency of the California Public Employee's Retirement System (CalPERS):

WHEREAS, the California Public Employee's Retirement Law requires that a contracting agency to furnish to the Board of the change in status of any retiree in which he/she is classified as a local safety retiree resulting from reinstatement and any additional information concerning any retiree that the Board may require:

WHEREAS, an application for Reinstatement from Disability/Industrial Disability Retirement has been

filed with the Agency by _____, who was retired by the Agency for the
(retiree's name)

position of _____ due to _____ condition(s),
(job title) (disabling conditions and body part(s))

requesting to be reinstated with _____ in the position of _____
(employer's name) (job title)

And

WHEREAS, the _____ has reviewed the duty statement, physical
(name of governing body)

requirements and medical report(s) for the prospective position and other evidence relevant tosuch approved condition(s) and certify under the penalty of perjury that this determination wasmade based on competentmedical opinion.

SAMPLE RESOLUTION NO. 6 (continued)

1. NOW, THEREFORE, BE IT RESOLVED:

That the_____find and determine and it does hereby find
(name of governing body)

and determine that_____ is approved for his/her
(retiree's name)

reinstatement application within the meaning of the California Public Employee's Retirement Law for

the position of _____with _____
(prospective job title) (employer's name)

and _____'s return to work date is _____.
(retiree's name) (date)

His/Her disability retirement benefit will stop thereafter per Government Code section 21193.

OR

2. NOW, THEREFORE, BE IT RESOLVED:

That the_____find and determine and it does hereby find
(name of governing body)

and determine that_____ is denied for his/her
(retiree's name)

reinstatement application within the meaning of the California Public Employee's Retirement Law for

the position of _____ with _____
(prospective job title) (employer's name)

due to _____.
(reason)

_____'s disability retirement benefit will be continued.
(retiree's name)

(Signature and other notations by the governing body named including vote count by name, printed name, job title, and date)

Resolution No. 7

Determination of a Retiree's Voluntary Reinstatement From Disability Retirement by the Official Delegate

This Resolution is made by an Official Delegate appointed by the Governing Body. The Governing Body delegates the authority to determine reinstatement from disability retirement with a written "Delegation of Authority" (Resolution No. 3). A copy of the "Delegation of Authority" (Resolution No.3) should be attached to the Determination of Reinstatement from Disability Retirement (Resolution No. 7).

Instructions:

1. Use this clause when the reinstatement is approved, and provide a return-to-work date if the retiree returns to the same employer who retired them. CalPERS will follow up with the prospective employer for a return-to-work date if the retiree is to reinstate with a different employer.

Use this clause when the reinstatement is denied and provide reasons for the denial.

SAMPLE RESOLUTION NO. 7

Pursuant to the authority delegated to me, under Government Code section 21173, by the action of

_____ of _____ (hereinafter referred to
(governing body) (name of agency)

as Agency) dated_____ , I certify under penalty of perjury that this determination of reinstatement from disability retirement was made based on competent medical opinion.

An application for Reinstatement from Disability/Industrial Disability Retirement has

been filed with the Agency by_____ , who was retired by the Agency for the
(retiree's name)

position of _____due to _____condition(s),
(job title) (disabling condition(s) and body part(s))

requesting to be reinstated with _____ in the position of _____.
(employer's name) (job title)

After reviewing the duty statement, physical requirements and medical report(s) for the prospective position, and other evidence relevant to such approved condition(s), I hereby determine that:

1)_____ is approved for his/her reinstatement application
(retiree's name)

within the meaning of the California Public Employee's Retirement Law for the position of

_____with _____and
(prospective job title) (employer's name)

_____'s return to work date is _____ .
(retiree's name) (date)

His/Her disability retirement benefit will stop thereafter per Government Code section 21193.

OR

2) _____ is denied for his/her reinstatement application
(retiree's name)

within the meaning of the California Public Employee's Retirement Law for the position of

SAMPLE RESOLUTION NO. 7 (continued)

_____ with _____ due to
(prospective job title) (employer's name)

_____. Appeal right has been provided to the retiree.
(reason)

_____'s disability retirement benefit will be continued.
(retiree's name)

(Signature by delegated authority, printed name, job title, and date)

Administrative Procedures Act Resolution

SAMPLE APA PROCEDURAL RESOLUTION

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF _____
ESTABLISHING A PROCEDURE FOR INDUSTRIAL DISABILITY RETIREMENT
DETERMINATIONS OF LOCAL SAFETY OFFICER EMPLOYEES OF THE PUBLIC
EMPLOYEES' RETIREMENT SYSTEM

BE IT HEREBY RESOLVED by the City Council of the City of _____ that following the filing of an application for industrial disability retirement by a local Safety Officer under the California Public Employees' Retirement System the following procedures shall by employed:

1. An initial determination will be made by the City upon medical and other available evidence offered by either the applicant or the City to determine whether the applicant is incapacitated from the performance of duty. The determination shall be made within six months of the date of the receipt by the City from CalPERS unless this time requirement is waived in writing by the applicant. Said determination shall be made by (employer or other person such as risk manager, personnel director, etc.) designated by the (City Manager, City Council, Mayor, etc).

    A. If it is determined by the city that the applicant is incapacitated, and the incapacity is industrial, the city manager (or appropriate authority) will so certify to CalPERS.

    B. If it is determined that the applicant is incapacitated but that the cause of incapacity is nonindustrial, the city manager (or appropriate authority) will so certify to CalPERS.

    C. If it is determined that the applicant is incapacitated, but the applicant contends that the cause of disability is industrial, the applicant may petition the Workers' Compensation Appeals Board (WCAB) for a Finding of Fact determining causation. If the WCAB determines the cause of incapacity to be industrial, or nonindustrial, the City will so certify to CalPERS.

    D. If the city determines that the applicant is not incapacitated from the performance of duty, it shall notify the applicant and CalPERS of this determination. The city shall notify the applicant by certified mail (return receipt requested) or by personal service of his/her right to appeal their decision and request a hearing within thirty calendar days of the notice.

2. If the applicant requests a hearing, the hearing shall be held in conformity with the Administrative Procedures Act. When an applicant requests a hearing, the city will notify CalPERS. The city will also notify the Office of Administrative Hearings and will request a hearing date and a prehearing conference with an Administrative Law Judge. The applicant will be informed that the hearing will be held at the time and place designated by the Office of Administrative Hearings which shall set a hearing date and pre-hearing conference.

SAMPLE APA PROCEDURAL RESOLUTION (continued)

The hearing shall be conducted before the (city manager, city council, personnel board, other designated fact finder, etc. as designated by ordinance) with the Administrative Law Judge acting as the presiding officer.

An administrative record shall be generated at the hearing pursuant to the Administrative Procedures Act. All testimony shall be recorded by a Certified Shorthand Reporter.

Following the hearing a decision and findings of fact will be made by (same as above, i.e., city manager, city council, personnel board, other designated fact finder, etc.). The decision and findings will be served on the applicant by certified mail and CalPERS will be notified.

OR

The hearing shall be conducted before the Administrative Law Judge alone.

An Administrative record shall be generated at the hearing pursuant to the Administrative Procedures Act. All testimony shall be recorded by a Certified Shorthand Reporter.

Following the hearing the Administrative Law Judge (ALJ) prepares a Proposed Decision. The decision will include a determination of issues, findings and summary of facts. The Proposed Decision will be reviewed by (same as above, i.e., city manager, city council, personnel board, other designated fact finder, etc.). The decision will be adopted by the city as its decision; or the city will reject the decision and make its own decision without hearing additional evidence; or the city will reject the ALJ decision based on additional evidence (additional hearing with ALJ to hear evidence). The decision and findings will be served on the applicant by certified mail and CalPERS will be notified. If applicant is found to be incapacitated the city shall so certify to CalPERS. If applicant is found not to be incapacitated the applicant will be further advised that he or she has thirty calendar days to see judicial review. Such review is by means of filing a Petition for Writ of Mandate, CalPERS will be notified.

If applicant is found to be incapacitated the city shall so certify to CalPERS. If applicant is found not to be incapacitated the applicant will be further advised that he or she has thirty calendar days to seek judicial review. Such review is by means of filing a Petition for Writ of Mandate in the Superior Court of _____County.

Upon receipt of notice that applicant has filed a Petition for Writ of Mandate in the Superior Court of _____ County, or upon expiration of thirty calendar days where applicant has not filed a Petition for Writ of Mandate, CalPERS will be notified.

Upon receipt of Writ of Mandate in the Superior Court of _____CalPERS will be notified.

Appendix B - Process Descriptions

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Processing the Reciprocal Membership Certification Flowchart

Purpose

This flowchart describes the decision process for completing reciprocal membership certification information and determining whether additional documentation or retirement/refund information is required before saving the appointment

Process Description

1. Start

   Begin the reciprocal membership certification process.

2. Decision: Did the employee indicate a reciprocal membership?

   No: Select **No** in the **Reciprocal Self-Certification Form Information** panel and save the appointment. End process.

   Yes: Continue to the next decision.

3. Decision: Do any special reciprocal membership scenarios apply?*

   *Special scenarios include:

   The employee indicated they are a member of multiple qualifying reciprocal retirement systems, have multiple membership periods, or are a member of these retirement systems:

   - California Administrative Services Authority
   - City of Concord Retirement System
   - City of Costa Mesa Retirement System
   - City of Oakland Retirement System
   - City of Pasadena Fire and Police Retirement Board
   - City of Sacramento Employees' Retirement Board
   - City of San Clemente Employees' Retirement Plan
   - East Bay Regional Park District Sworn Safety Employees' Retirement Plan

   Yes: Email or fax the Reciprocal Self-Certification Form (CalPERS-2593) to CalPERS**

   **Email: Member_Election_Team@calpers.ca.gov

   Fax: (916) 795-2287

   After submitting the form, end the process.

   No: Select **Yes** in the **Reciprocal Self-Certification Form Info** panel

4. Enter Reciprocal Membership Information

   Select the Reciprocal Self-Certification Form Information panel and enter the earliest reciprocal membership date.

5. Decision: Is the employee active in the reciprocal system?

   Yes: Leave the **Most Recent Reciprocal Permanent Separation Date** field blank.

   No: Enter the employee's separation date in the **Most Recent Reciprocal Permanent Separation Date** field.

   Note: For CalSTRS members, enter the last activity date.

   Proceed to the next decision.

6. Decision: Did the employee refund or retire from the reciprocal system?

   Yes: Select **Yes** in the appropriate retired or refunded indicator. Enter the refund or retirement date. Continue to save the appointment.

   No: Select **No** in the appropriate retired or refunded indicator. Continue to save the appointment.

7. Save Appointment

   Save the appointment.

8. End

   The reciprocal membership certification process is complete.

Eligibility to Participate in CalPERS – ARP Election, Employed Prior to July 1, 1997 Flowchart

Process Description:

1. Start: CalPERS member?

   No: No action

   Yes: Proceed to next decision

2. Decision: Hours reduced below the threshold of Gov. Code section 20305?

   No: Member has no election rights

   Yes: Proceed to next decision

3. Decision: Non-vested, non-safety CalPERS member?

   No: Member has no election rights

   Yes: Proceed to next decision

4. Decision: Member employed prior to July 1, 1997?

   No: Member election needed

   Yes: Member has election rights

   End process.

Eligibility to Participate in CalPERS – ARP Election, Employed After July 1, 1997 Flowchart

Process Description:

1. Start: CalPERS member?
   No: No action
   Yes: Proceed to next decision
2. Decision: Hours reduced below the threshold of Gov. Code section 20305?
   No: Member has no election rights
   Yes: Proceed to next decision
3. Decision: Non-vested, non-safety CalPERS member?
   No: Member has no election rights
   Yes: Proceed to next decision
4. Decision: Member employed prior to establishment of alternate plan?
   No: Member has election rights
   Yes: Proceed to next decision
5. Decision: Is the employee represented by a bargaining group?
   No: Eligibility determined by the employer
   Yes: Eligibility determined by MOU
   End process.

Determining Membership Eligibility Flowchart

Process Description:

1. Start: Is the employee employed as a CalPERS retiree?
   Yes: Refer to Employment of a Retiree in the Benefits Procedure section of this guide*
   *Also refer to A Guide to CalPERS Employment After Retirement (PUB 33)
   No: Proceed to next decision
2. Decision: Is the position excluded in the PERL?
   Yes: Complete the **Notice of Exclusion From CalPERS Membership (CalPERS-6997)** form
   No: Proceed to next decision
3. Decision: Is the employee an optional member?
   Yes: Proceed to sub-decision
   Sub-Decision: Is the position excluded in your contract?
   Yes: Complete the **Notice of Exclusion From CalPERS Membership (CalPERS-6997)** form
   No: Complete the **Election of Optional Membership – Elective Officer (CalPERS-0841)** form*
   *(if the member wants to elect CalPERS membership)
   No: Proceed to next decision
4. Decision: Is the position excluded in your contract?
   Yes: Complete the **Notice of Exclusion From CalPERS Membership (CalPERS-6997)** form
   No: Proceed to next decision
5. Decision: Does the employee qualify for immediate membership?
   Yes: Enroll in myCalPERS
   No: Monitor hours/days worked and enroll if/when employee qualifies
   End process.

CalPERS/CalSTRS Retirement System Election Flowchart

Purpose

This flowchart describes how to determine whether an employee entering a classified position requires membership on the date of hire.

Process Description:

1. Start
   Employee is entering a classified position which requires CalPERS membership on the date of hire
2. Decision: Is the employee currently a member of CalPERS or CalSTRS?
   No: CalPERS laws apply
   CalPERS: CalPERS law apply
   CalSTRS: CalPERS law applies, unless CalSTRS elected within 60 days

CalPERS/CalSTRS Retirement System Election (Continued) Flowchart

Purpose

This flowchart describes how to determine whether CalSTRS laws or CalPERS laws apply when an employee enters a certificated position or a position performing creditable service that requires membership in the CalSTRS Defined Benefit Program.

Process Description:

1. Start
   The employee is entering a certificated position or a position performing creditable service that requires membership on the date of hire in the CalSTRS Defined Benefit Program*
2. Decision: Is the employee currently a member of CalPERS or CalSTRS?

   No: CalSTRS laws apply. End process.

   CalSTRS – Employee is a current CalSTRS member: CalSTRS laws apply. End process.

   CalPERS – Employee is a current CalPERS member: Continue to the next decision.

3. Decision: Does the employee have five years of CalPERS service credit?
   Refer to legal references (1)

   Yes: CalSTRS laws apply unless the employee elects CalPERS within **60 days** of entering the new position.

   If the employee elects CalPERS, CalPERS laws apply.

   End process.

   No: Continue to the next decision.

4. Decision: Was the employee an active CalPERS school** member **120 days** prior to hire?

   (Active CalPERS school membership refers to employment with a school employer, the State Department of Education, or the Board of Governors of the California Community Colleges.)

   Refer to legal references (2)

   Yes: CalSTRS laws apply unless the employee elects CalPERS within **60 days** of entering the new position.

   If the employee elects CalPERS, CalPERS laws apply.

   End process.

   No: CalSTRS laws apply and the employee is not eligible to elect CalPERS.

   End process.

Membership Eligibility Note

*Substitute or part-time employment for an employee who is not previously a CalPERS member may not require membership. Employers should contact CalSTRS to verify eligibility for membership before administering a Retirement System Election.

Legal References:

(1) Government Code Section 20309 (Chapter 77, Statutes of 2001), effective January 1, 2002.
(2) Government Code Section 20309 (Chapter 880, Statutes of 2000), effective January 1, 2001.

Definition of Active CalPERS School Member

**An active CalPERS school member is an employee of a school employer, the State Department of Education, or the Board of Governors of the California Community Colleges.

Public Agency & Schools Reference Guide

California Public Employees' Retirement System

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