

School Employer Advisory Committee

February 2, 2022

Housekeeping (1 of 2)

Webinar is being recorded

Attendee mics are muted

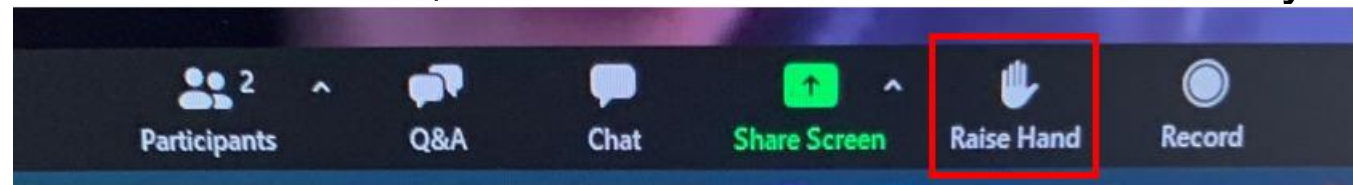
Meeting materials available on www.calpers.ca.gov

Email: CalPERS_SEAC@calpers.ca.gov

Housekeeping (2 of 2)

Options to submit a question for panelist(s):

- Q&A feature
- Raise hand feature
 - Use raise hand feature to indicate you have a question. The host will call on you to unmute your mic and ask your question.
 - While unmuted, your profile picture and name will display to the host and panelists
 - Only your name will display to the other attendees
 - Select **Lower Hand** to lower, if needed. **Note:** This will not mute yourself if you're unmuted



Agenda (1 of 2)

Legislation Update – Andrea Peters

Disallowed Compensation – Brad Hanson

Mandatory Furloughs – Mianca Fong

SB 411 – Christina Rollins

Break

Agenda (2 of 2)

Membership Eligibility – Veronica Coria

Election Eligibility – Alex Vazquez

myCalPERS System Enhancements – Ryan Bieker & Meghan Korte

Contribution Rate Outlook – Paul Tschida

CalPERS Regional Offices Reopening – Jamie Pope

Questions and Answers – Renee Ostrander, Brad Hanson, and Christina Rollins

Legislative Update

Andrea Peters
Legislative Affairs Division

Disallowed Compensation

Brad Hanson

Employer Account Management Division

Legislation Senate Bill (SB) 278

Government (Gov.) Code 20164.5

Disallowed compensation for benefit adjustments

Establishes procedures for determinations made on or after January 1, 2017, for members with disallowed compensation

Employers make the members 'whole' by covering the overpayment and a portion of the annuity of the reduction

Employers may submit their labor policies and/or agreement to CalPERS for guidance and review within 90 days

Gov. Code 20164.5 (1 of 5)

Disallowed Compensation

Disallowed compensation items:

- Non-compliant special compensation items included in the labor agreement or MOU
- Member was unknowingly placed on roll after retirement date with non-compliant special compensation
- Discovered after member was placed on roll

Gov. Code 20164.5 (2 of 5)

Disallowed Compensation

Items **not** considered disallowed compensation:

- Payroll corrections related to errors
- Lump sum reporting
- Compensation item was reportable but cannot be used in the final compensation calculation
- Special compensation reported solely in final compensation period
- Pay rate denials

Gov. Code 20164.5 (3 of 5)

Example

Member's Allowance: \$5,500 per month

- Allowance includes \$500 disallowed compensation
- Received disallowed compensation for three years

Gov. Code 20164.5 (4 of 5)

Employer Penalty Example

Past Retirement Payments

- \$500* x 36 payments = \$18,000 overpayment
- Paid by employer to CalPERS on behalf of the member

**Includes cost of living adjustments received by the member*

Gov. Code 20164.5 (5 of 5)

Employer Penalty Example

Downward adjustment to retirement allowance

- $\$500 \times 20\% = \100

Paid to the member in lump sum by the employer

- $\$100 \times \text{Actuarial Factor (AF)} = \100 (AF)
 - Actuarial factor based on lifetime expectancy
 - Paid in a lump sum

Paid to CalPERS

- 10% of \$100 (AF)

Resources

Website – www.calpers.ca.gov

- Public Employees' Retirement Law (PERL)
- Public Agency & Schools Reference Guide
- Circular Letters

MOU_Review@calpers.ca.gov

EAMD_CCRU_Outreach@calpers.ca.gov

Employer Contact Center: **(888)** CalPERS or **(888-225-7377)**

Compensation Questions?

Mandatory Furloughs

Mianca Fong

Employer Account Management Division

Mandatory Furloughs

Assembly Bill 1651

- Gov. Code 20969.2

[Circular Letter 200-40-20](#)

New System Enhancement

Mandatory Furloughs

New System Enhancement

myCalPERS

HomeParticipantBusiness PartnerReportingAdminWorkflowmy Toolbox

Manage ReportsPayroll SchedulesService Credit PurchaseRetirement Appointment Reconciliation

Common Tasks
Menu
Search
Adjustment Reports
Search Payroll Records by Participant
Furlough Reduction
Preprocessing Area
File Upload History
Retirement Contract Summary
Maintain Employer Supporting Documents

Name: San Diego County Schools **CalPERS ID:** 1162742153

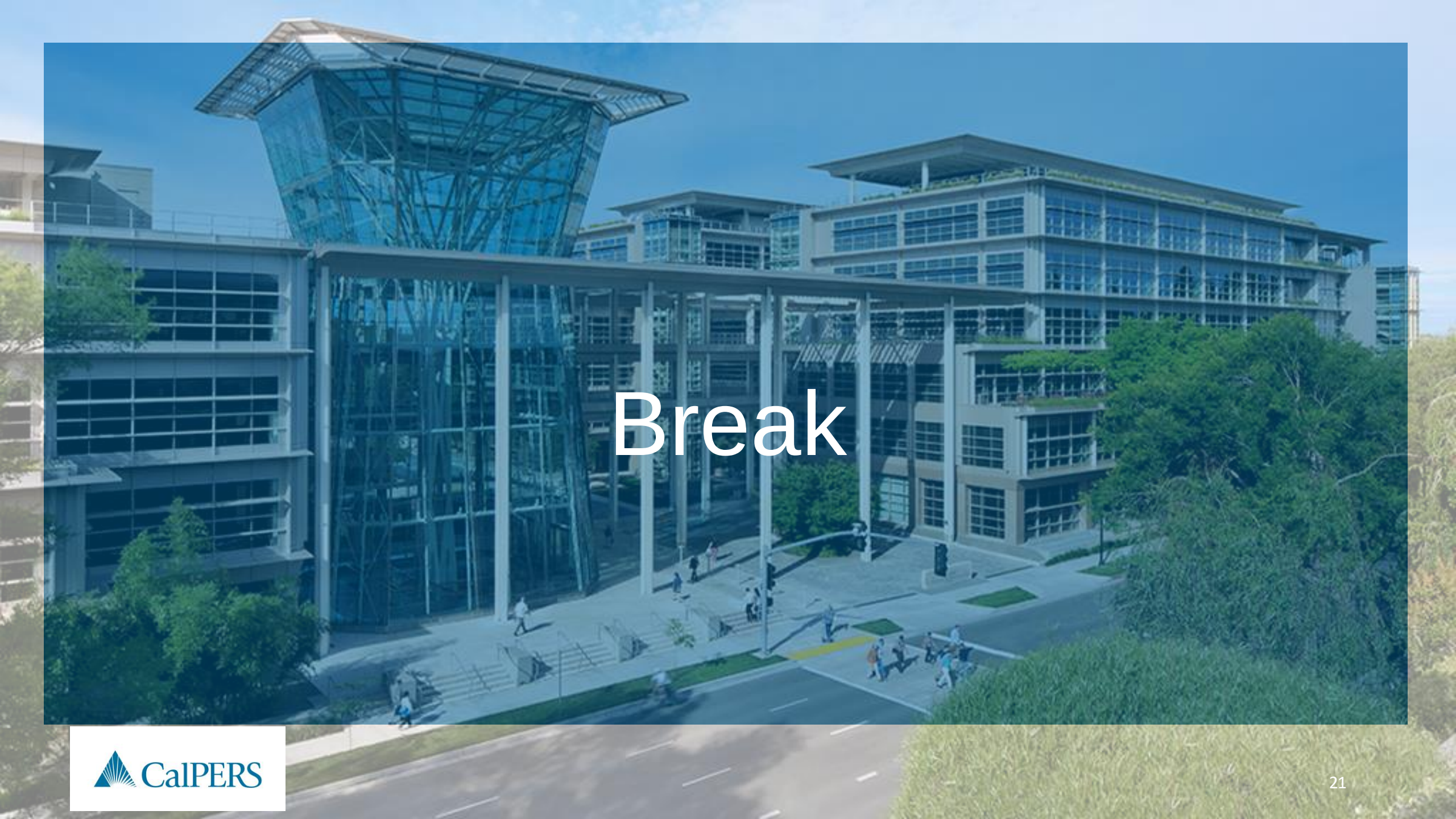
*Required Fields

Reduction Plan Information
Select Fiscal Year
Fiscal Year: * 2021/2022
Contact Information
Contact Name: * **Email Address: ***
Phone Number: *
Implementation Information
Did your agency implement a Furlough Plan for employees in the Fiscal Year selected above? * ☐ Yes ☐ No

Furlough Questions?

SB 411

Heather Porter
Employer Account Management Division

An aerial photograph of a modern architectural complex. The central feature is a tall, glass-enclosed tower with a complex internal structure. To its right is a large, multi-story building with a flat roof and a series of glass-enclosed wings. The foreground shows a paved plaza with several people walking, and a road with a crosswalk. The background is filled with lush green trees under a clear blue sky.

Break

Membership Eligibility

Veronica Coria

Employer Account Management Division

Monitored Membership (1 of 2)

Positions to be monitored for 1,000 hours

- Full time temporary positions less than six months
- Part-time employees working less than 20 hours a week
- Irregular time base employees
- Per-diem employees completing 125 days of work in a fiscal year
- Temporary, indeterminate, limited team, irregular positions, on-call, seasonal, substitutes, intermittent, extra help

Monitored Membership (2 of 2)

Qualifying hours

- All part-time employment working for districts under the same County Office of Education

Example – Member works concurrently for ABC school district and XYZ school district

- Both districts are under Los Angeles County Schools
 - The overlap would be combined for membership qualification
- Regular and overtime hours only

Qualified for Membership

Completed 1,000 hours

- Within Fiscal Year (FY), July 1 through June 30
 - 1,000-hour count restarts if hours are not reached in a FY
- Membership date should be next day **or** first day of the next pay period

Membership Resources

CalPERS Contact Center

- **888** CalPERS or (**888**-225-7377)

Membership_Reporting@calpers.ca.gov

[Public Agency & Schools Reference Guide](#)

Membership Questions?

Election Eligibility

Alexander Vazquez & Cassandra Elsalamy
Employer Account Management Division

Retirement System Election (ES 0372)

Retirement System Election (1 of 2)

What is a Retirement System Election (ES0372)

Retirement System Election

ES 0372 REV 06/21

CALSTRS

California State Teachers' Retirement System
P.O. Box 15275, MS 17
Sacramento, CA 95865-0275
800-228-5453
CalSTRS.com

[For CalSTRS Official Use Only]

RETIREMENT SYSTEM ELECTION AND ACKNOWLEDGEMENT OF RECEIPT OF RETIREMENT SYSTEM INFORMATION

Please read the attached information and instructions before completing this form. Please type or print legibly in dark ink.

SECTION 1: Member Information and Election (to be completed by employee)

NAME (LAST, FIRST, MIDDLE INITIAL)

SOCIAL SECURITY NUMBER

A member of CalSTRS who becomes employed in a new position by the same or a different school district, a community college district, a county superintendent of schools, limited state employment or the Board of Governors of the California Community Colleges, as defined in Education Code sections 22508 and 22508.5, to perform service that requires membership in a different public retirement system will have that service credited with that other public retirement system unless the member files a written election (within 60 days after the date of hire) to have that service covered by CalSTRS, pursuant to Education Code section 22508(a) or 22508.5(a).

I am a member of CalSTRS who has accepted employment to perform service that requires membership in a different public retirement system and am eligible to elect to continue retirement system coverage under CalSTRS.

I elect coverage in: (please choose one)
☐ CA State Teachers' Retirement System (CalSTRS)
☐ CA Public Employee's Retirement System (CalPERS) *
☐ A Different Public Retirement System identified here: _____

A member of CalPERS who was employed by a school employer, Board of Governors of the California Community Colleges or State Department of Education within 120 days before the member's date of hire, or who has at least five years of CalPERS credited service, as defined in Government Code section 20309, and who is subsequently employed to perform creditable service that requires membership in the Defined Benefit Program of CalSTRS, will have that service credited with CalSTRS unless the member files a written election (within 60 days after the date of hire) to have the service credited with CalPERS, pursuant to Government Code section 20309.

I am a member of CalPERS who has accepted employment to perform service that requires membership in the CalSTRS Defined Benefit Program and am eligible to elect to continue coverage under CalPERS.

I elect coverage in: (please choose one)
☐ CA State Teachers' Retirement System (CalSTRS)
☐ CA Public Employee's Retirement System (CalPERS) *

OR

A member of CalSTRS who becomes employed in a new position by the same or a different school district, a community college district, a county superintendent of schools, limited state employment or the Board of Governors of the California Community Colleges, as defined in Education Code sections 22508 and 22508.5, to perform service that requires membership in a different public retirement system will have that service credited with that other public retirement system unless the member files a written election (within 60 days after the date of hire) to have that service covered by CalSTRS, pursuant to Education Code section 22508(a) or 22508.5(a).

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☐ CA State Teachers' Retirement System (CalSTRS)
☐ CA Public Employee's Retirement System (CalPERS) *

ES0372

RETIREMENT SYSTEM ELECTION • REV 06/21 • PAGE 1 of 2

CALSTRS

Client ID: _____ OR SSN: _____

With my signature below, I certify that I have received information from my employer regarding my eligibility to elect membership for this position as described on this form. I fully understand that this election is irrevocable. I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering or receiving a benefit administered by CalSTRS and it may result in up to one year in jail and/or a fine of up to \$5,000 pursuant to Education Code section 22010.

EMPLOYEE SIGNATURE

DATE

SECTION 2: Employer Certification (to be completed by employer and County Office of Education)

With my signature below, I certify that I have provided information to the above employee regarding his/her eligibility to elect membership for this position, pursuant to Education Code section 22509. I certify the employee meets the qualifications to make a retirement system election, pursuant to Education Code sections 22508 or 22508.5, or Government Code section 20309.

EMPLOYEE POSITION INFORMATION:

POSITION HIRE DATE

POSITION EFFECTIVE DATE

POSITION TITLE

SELECT ONE:

☐ CREDENTIALLED

☐ CLASSIFIED

☐ STATE SERVICE

EMPLOYER INFORMATION:

CODIST/STATE DEPT NAME

CALSTRS REPORT UNIT CODE

SCHOOL/STATE OFFICIAL'S NAME

TITLE

PHONE NUMBER

SIGNATURE OF SCHOOL/STATE OFFICIAL

DATE

COUNTY OFFICIAL'S NAME

TITLE

PHONE NUMBER

SIGNATURE OF COUNTY OFFICIAL

*CALPERS EMPLOYER CODE

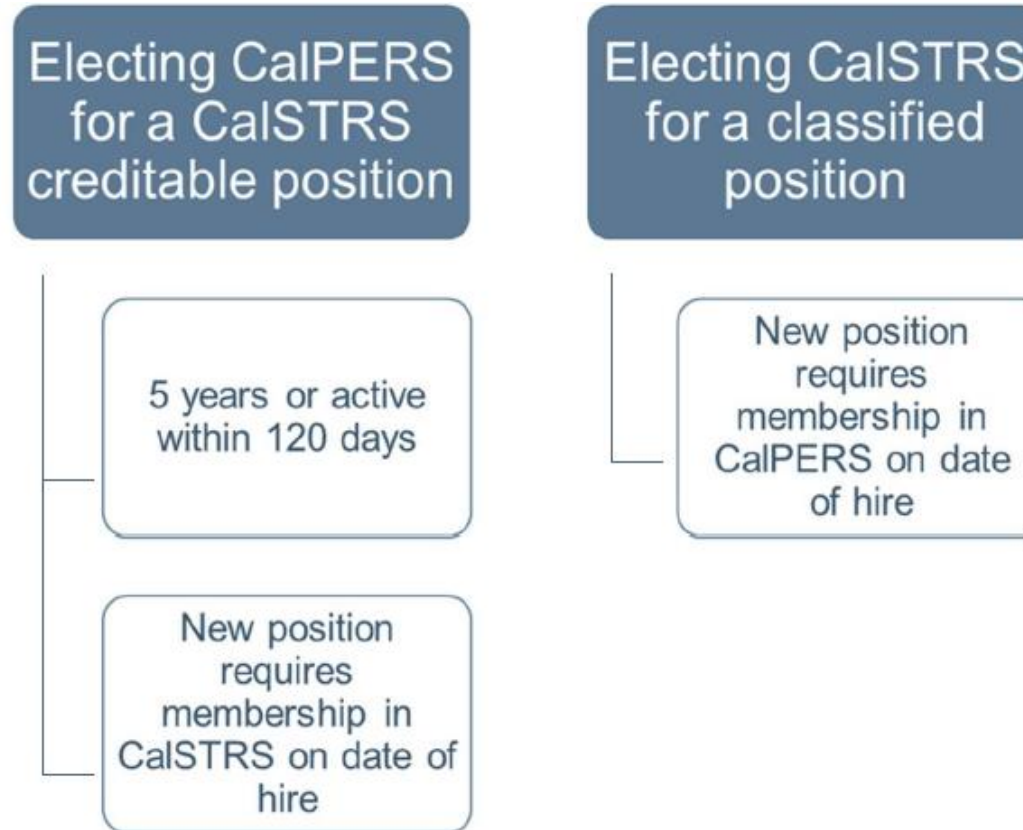
The image displays the logos for CalPERS and CALSTRS. On the left is the CalPERS logo, which consists of a blue stylized sunburst or fan shape next to the word "CalPERS" in a blue serif font. On the right is the CALSTRS logo, which features the word "CALSTRS" in a large, red, serif font.

The CalPERS logo, featuring a blue stylized sunburst or fan shape next to the word "CalPERS" in a blue serif font.

30

Retirement System Election (2 of 2)

Eligibility Requirements



Types of Reportable Positions

Positions reportable to CalSTRS

- Teachers
- Counselors
- Nurses
- Librarians
- Superintendents/Chancellors

Positions reportable to CalPERS

- Custodial
- Some office personnel
- Cafeteria
- School employees otherwise not eligible for CalSTRS coverage

Scenarios

Election Eligibility Scenarios (1 of 7)

Scenario One



Sierra

- CalSTRS membership: No
- CalPERS membership: Yes – effective 10/01/2011 (10 Years)
- Prior CalPERS separation: 10/01/2021 - School district
- New position effective date: 10/25/2021
- Position: Full-time credentialed
- Employee electing CalPERS

Election Eligibility Scenarios (2 of 7)

Scenario One: Solution

Sierra can elect CalPERS

- Position meets CalSTRS qualifications
- Position qualifies as she has 10 years of service

Election Eligibility Scenarios (3 of 7)

Scenario Two



Mary

- CalSTRS membership: No
- CalPERS membership: Yes – effective 04/01/2017 (4.5 Years)
- Prior CalPERS separation: 10/01/2021 - School district
- New position effective date: 10/25/2021
- Position: Full-time credentialed
- Employee electing CalPERS

Election Eligibility Scenarios (4 of 7)

Scenario Two: Solution

Mary can elect CalPERS

- Qualifies by having previous **school employment** in CalPERS within 120 days of new hire date
- Position meets CalSTRS qualifications

Election Eligibility Scenarios (5 of 7)

Scenario Two: What if?

Mary's previous employment was with a public agency or CSU

- No, it would not qualify
- Although the position qualifies with CalSTRS, Mary did not meet CalPERS requirements

Election Eligibility Scenarios (6 of 7)

Scenario Three



Sam

- CalSTRS membership: No
- CalPERS membership: Yes – effective 01/01/2016 (5 Years)
- Prior CalPERS separation: 01/01/2021 - School district
- New position effective date: 01/25/2021
- Position: Substitute Teacher
- Member electing CalPERS

Election Eligibility Scenarios (7 of 7)

Scenario Three: Solution

Sam is not eligible to elect CalPERS coverage

- Position does not require membership in the CalSTRS Defined Benefit Program as of the first date of hire

Election Resources

CalPERS Contact Center

- **888** CalPERS or (**888**-225-7377)

MemberElectionTeam@calpers.ca.gov

[Public Agency & Schools Reference Guide](#)

Eligibility Questions?

myCalPERS System Enhancements

Ryan Bieker & Meghan Korte
Employer Account Management Division

Out-of-Class Reporting Enhancements

Gov. Code 20480

Maintain out-of-class record details

New validations

- Employer relationships
- Payroll
 - No rate plan found
 - Falls outside of membership or active appointment
 - More than one employer
 - Missing supporting documents

Employer Log In Enhancements (March)

Password reset every 90 days

Static text added to various screens

- Challenge questions
- Contact your system access administrator

New required fields

- Email
- Cell phone recommended

Appointment History Transactions (March)

Upcoming Enhancements

- Appointment Update Details
 - Clarify screen language
 - Back button addition
- New field values

Appointment History Transactions (April)

Upcoming enhancements

- Allow users to view superseded events
 - Includes corrections and deletions

Reminders

Undeliverable Address Cognos Report

Primary contact for arrears administrator, financials, general, human resources, payroll, Social Security Administrator

Retirement appointment reconciliation compliance

System Questions?

Contribution Rate Outlook

Paul Tschida
Actuarial Office

Overview

Actuarial valuation to set 2022-23 contribution rates

- Sets employer rate and PEPRA employee rate
- Rates anticipated to be finalized in April 2022

Key drivers of rates:

What we know now	What we don't know yet
State's special assistance from July 2019 payment ("supplanting payments") expires 6/30/2022	Demographic experience of the pool (salary increases, classic-to-PEPRA shift, etc.)
New assumptions adopted by CalPERS Board (including 6.8% discount rate)	Total payroll in fiscal year ending 6/30/2021
Favorable 2020-21 investment return (over 21%)	

New Assumptions

Comes from two studies conducted every four years

- Asset Liability Management (ALM) process
 - Reviews and adjusts asset allocation based on prevailing capital market assumptions and the board's risk-return preference
 - Asset allocation selected by the board (Nov) results in a **6.8% discount rate**
- Experience study
 - Review of CalPERS demographic experience through June 30, 2019 (mortality, salary increases, retirement rates, etc.); assumptions revised as appropriate
 - New demographic assumptions estimated to have little effect on Schools Pool rate
 - Impact of COVID-19 not directly measured but will indirectly affect rates over time

Employee Contribution Rates

PEPRA members

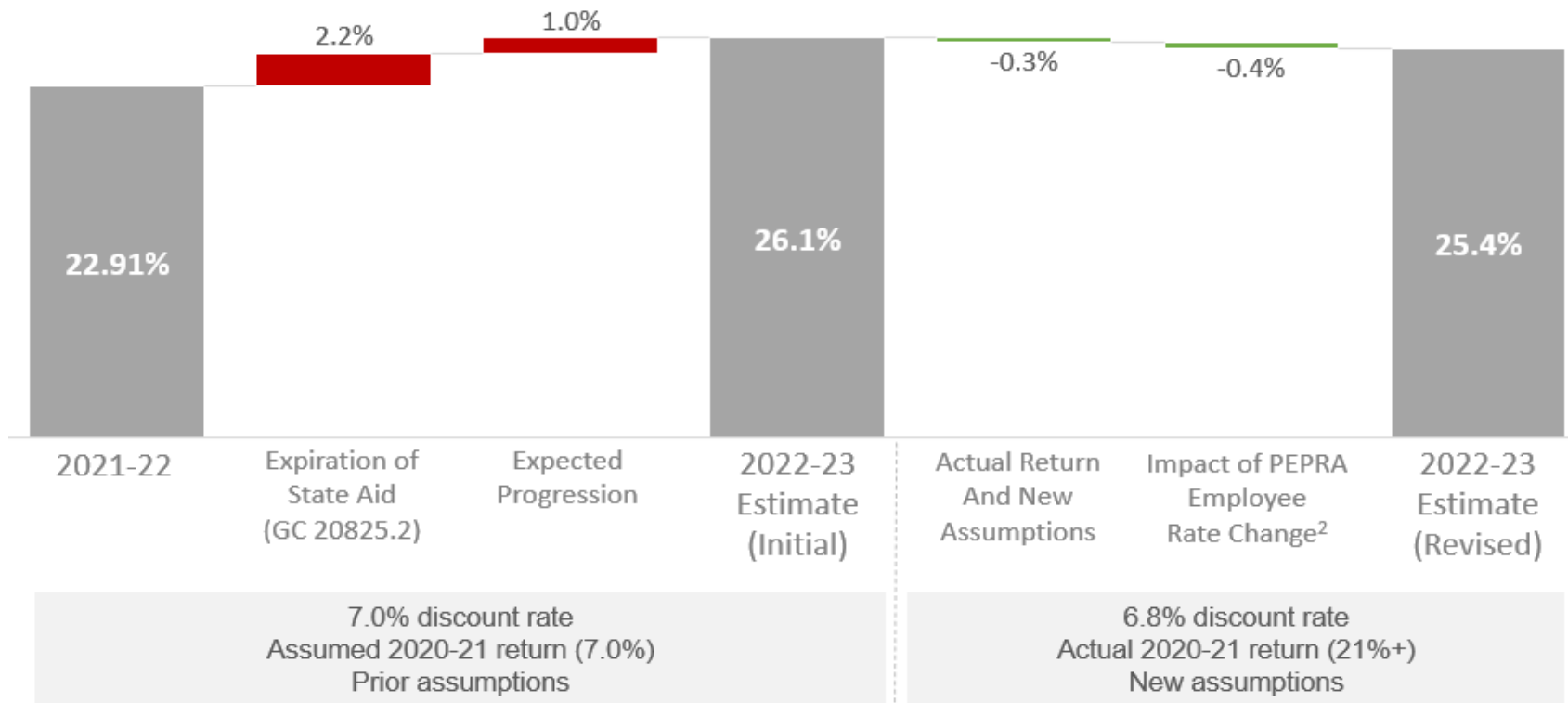
- By law, PEPRA members contribute half of the total normal cost of their benefits (rounded to nearest 0.25% of pay)
- Normal cost is sensitive to actuarial assumptions, especially discount rate
- Member rate is **estimated** to increase to **8.0% effective July 1, 2022** (from 7.0%)
- Final rate should be known in April

Classic members

- Rate is set by statute and will remain 7.0%

Employer Contribution Rate (1 of 2)

Revised estimate for 2022-23 = **25.4% of pay¹**

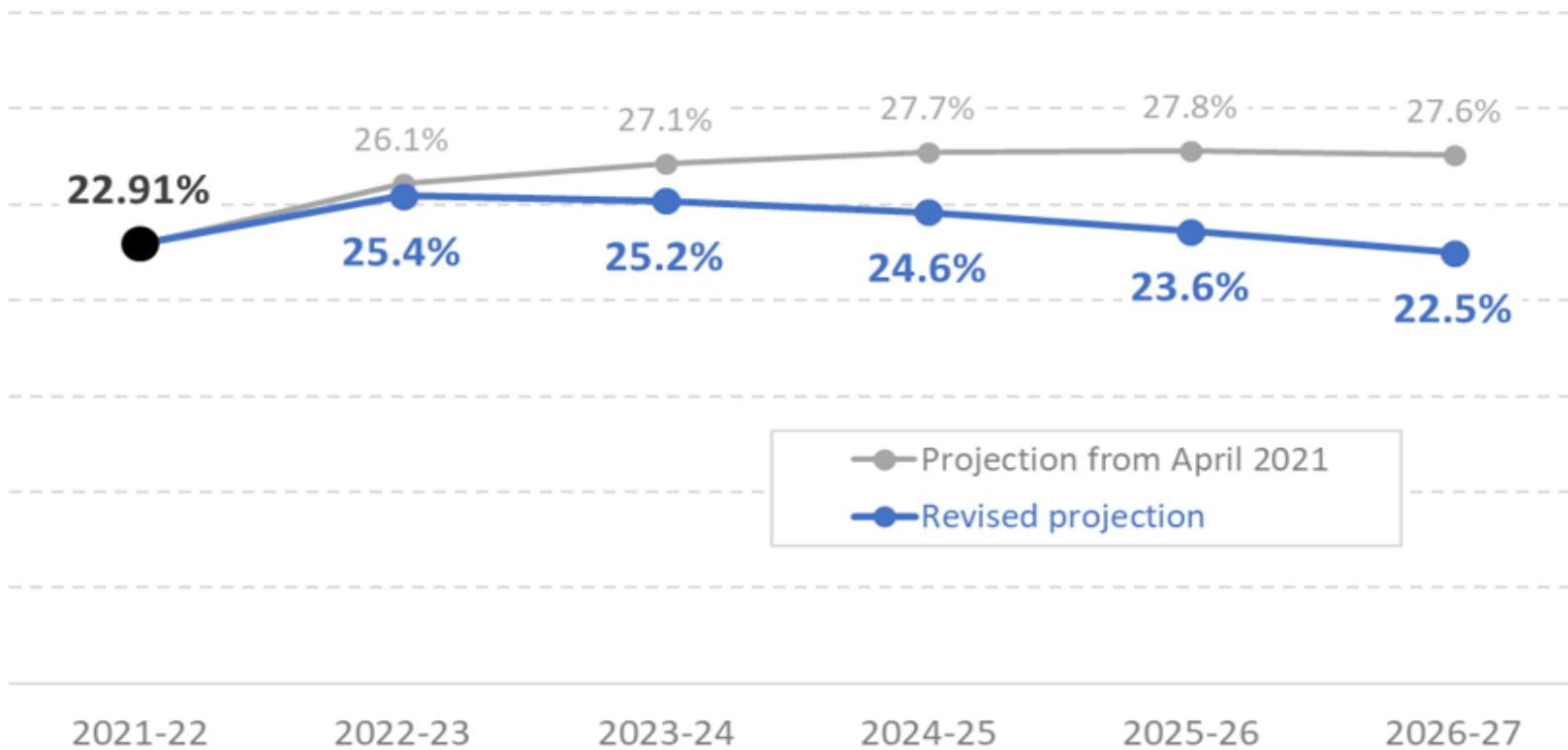


¹ Actual 2022-23 rate will be set by the upcoming June 30, 2021 actuarial valuation and could vary, potentially markedly, from this estimate.

² PEPRA employee rate is **estimated** to increase from 7% to 8%. Classic employee rate will remain 7%.

Employer Contribution Rate (2 of 2)

Revised rate projection



- Revised projection reflects estimated effects of new assumptions (including 6.8% discount rate) and actual 2020-21 investment return.
- These are estimates. Actual rates in future years will be based on actual future experience and could vary, potentially markedly, from projected rates shown here.

Contribution Questions?

CalPERS Regional Office Reopening

Jamie Pope

Customer Education & Outreach Division

Regional Office Services (1 of 4)

Currently offering **virtual** services

- Benefit counseling appointments (video and phone)
- Member retirement classes (online instructor-led)
- Online educational resources via CalPERS YouTube Channel and within myCalPERS
- Emergency retirements (via video for urgent situations)

Regional Office Services (2 of 4)

Regional offices to open once CalPERS returns to office

- Retirement counseling by appointment only (virtual and in-person)
 - Limited services for those without an appointment
- Virtual services still available
- Abide by state, county, and local health and safety guidelines
- Field classes per employer or association request
- Emergency retirements (recommended to be conducted virtually)

Regional Office Services (3 of 4)

Member resources and appointment preparation

- Member education resources
 - [Member Education Resources](#)
 - Online classes (computer based and instructor led)
 - CalPERS YouTube Channel
- myCalPERS online
 - Run Retirement Estimates (Reminder: Regional Offices do not run or create estimates on demand)
 - Service Credit Purchases
 - Apply for Retirement

Regional Office Services (4 of 4)

Mass communication after we open

- Via CalPERS Newsletter, myCalPERS headline banner, social media, CalPERS website, myMessages for employers
- Allow flexibility for changes
- Soft opening to ensure success and preparedness
- Important to make an appointment for benefit counseling

Regional Office Questions?

Open Questions and Answers

Renee Ostrander, Brad Hanson, and Christina Rollins
Employer Account Management Division

Thank you for joining us!

CalPERS School Employer Advisory Committee