State Reference Guide

California Public Employees' Retirement System

August 2026

CalPERS

Table of Contents

Introduction 6

Confidentiality of Member Data 6

myCalPERS Member Self-Service 6

Headquarters Office Location 7

CalPERS Customer Contact Center 7

888 CalPERS (or **888**-225-7377) 7

CalPERS Regional Offices 9

About Service Retirement 9

General Membership Information 9

CalPERS Membership Eligibility 9

Processing the Reciprocal Self-Certification Form 17

First Tier vs. Second Tier 19

Account Code Overview 21

The Alternate Retirement Program (ARP) – Civil Service Only 24

Determining Membership Eligibility 25

Persons Excluded by Retirement Law From CalPERS Membership 26

Determining Retirement Benefits 29

Optional Members of CalPERS 30

CBU 3 OR CBU 21 School Employment: CalPERS or CalSTRS 34

CalPERS/CalSTRS Retirement System Election 39

Overtime Positions 41

Updating Employee Demographic Information 43

Reciprocity 45

Reciprocity Requirements 47

Provisions Under Full Reciprocity 48

Other Reciprocal Provisions 49

Reciprocal Provisions for the University of California Retirement Plan 50

CalPERS Provisions for Non-reciprocal Public Retirement Systems 50

Notifying CalPERS When the Member Changes Retirement Systems 52

Long-Term Care Program Members 52
Service Credit Purchase Options 53
CSU – Only Membership 61
The California State University 61
CSU Membership Chart 64
Account Codes 67
Benefits 67
Faculty Programs — Early Retirement, Reduced Time Base, and Leaves 67
CSU Retiree Dental 70
CSU Contact 71
Pay Rate and Service Credit 71
Reportable/Non-Reportable Compensation 71
Compensation Limits 75
Service Credit 77
Benefits Procedures 79
Beneficiary Designation (myCalPERS 0772) 79
Reporting an Imminent Death or Terminal Illness/Power of Attorney 80
Death of an Active Member 81
Information for Family of Deceased 84
Retirement – General 86
Service Retirement 90
Deductions After Retirement 93
Disability Retirement or Industrial Disability Retirement 95
State Second Tier 104
Post-Retirement Employment 108
Reinstatement From Retirement 121
Beneficiary Designation (After Retirement) 126
Death of a Retiree 129
Completing the Tax Withholding Election for Death Benefits 130
Tax & Income Reporting Information 131
Refund of Member Contributions 132

Forfeiture Of Benefits 133
IRC Section 415(B) & the Replacement Benefit Plan 134
Social Security & Public Employees 135
CalPERS Web Services & Publications 136
CalPERS Web Services 136
System Access Administrators 136
CalPERS Website 136
CalPERS Employer Bulletin 137
Circular Letters 137
Ordering Forms & Publications 138
List of CalPERS Member Publications 139
Education & Other Resources 140
CalPERS Education & Events 140
Employer Education 140
CalPERS Employer Educational Forum 142
Member Education 142
Educational Resources 142
Videos 144
CalPERS Benefits Education Events 144
Member Education Bulletin 144
California Employers' Retiree Benefit Trust (CERBT) Fund 145
Overview 145
Why prefund? 145
Benefits of Investing With the CERBT Fund 145
CalPERS Health Benefits (PEMHCA) 147
HMOs 147
PPOs 147
EPOs 147
Employee Association Plans 148
CalPERS Long-Term Care 148
Contact CalPERS Long-Term Care 148

Appendix A 149
Application for Retired Member/Payee Survivor Benefits (myCalPERS 1191) 150
Tax Withholding Election for Survivor Benefits (myCalPERS 1190) 151
Tax Withholding Election for Survivor Benefits Including Benefits Eligible for Rollover (myCalPERS 1192) 152
Appendix B - Process Descriptions 153
Processing the Reciprocal Self-Certification Form Flowchart 154
Determining Membership Eligibility Flowchart 156
CalPERS/CalSTRS Retirement System Election Flowchart 157
CalPERS/CalSTRS Retirement System Election (Continued) Flowchart 158

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:

- General Membership Information
- CSU – Only Membership
- Pay Rate and Service Credit
- Benefits Procedures
- Web Services and Publications
- Education and Other Resources
- Appendix

These seven 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 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 encourage 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

888 CalPERS (or **888-**225-7377)
The CalPERS Customer Contact Center acts as a single point of contact for employers and members.

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 warrants
- 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 are available 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-year 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.

General Membership Information

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

Exception

State Second Tier members who are not vested and have been permanently separated for more than six months must re-qualify for membership. For more information, refer to the First Tier vs. Second Tier section of this guide.

Note: Employees of the Department of Forestry and Fire Protection who qualify for state peace officer/firefighter membership under Government (Gov.) Code section 20392, or state safety membership under Gov. Code section 20400, also qualify for immediate membership, even if working less than full time.

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 take a refund of 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:

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

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

Employees in full-time employment whose appointment/employment does not fix a term of employment longer than six months should be monitored. If full-time employment continues for more than six consecutive months and the employment is compensated, the effective date of membership cannot be later than the first day of the first pay period of the seventh month of employment.

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).

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, then the four hours would be considered overtime and not reportable to CalPERS.

Determining Membership Eligibility of Part-Time Seasonal Employees

You can determine whether an employee is eligible for CalPERS membership by:

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

Monitor all compensated hours worked. If the employee reaches 1,000 hours or 125 days in a fiscal year, membership must be established.

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 State Agency (CalPERS-6996) (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 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.

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

California State University (CSU) Temporary Faculty

Employees must work half time or more for either two consecutive semesters, or three consecutive quarters (Gov. Code section 20305(4)(A)). Refer to the CSU-Only Membership section for specific information on membership qualifications for CSU employees.

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 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 employee is a CSU temporary faculty employee appointed for one academic year at full time.
    c. 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, 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.

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.

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 Forms & Publications webpage, 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 (961) 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

Once the member is enrolled in CalPERS membership in PIMS, and the appointment is created in myCalPERS, you **must** utilize the self-certified data provided on the completed form to update 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, no further action is needed since the appointment will already reflect No under the Reciprocal Member Indicator in the **Reciprocal Self-Certification Form Information** panel.

If the member indicated they were a member of a qualifying reciprocal retirement system in Section 1, you must edit the appointment in myCalPERS to include the reciprocal membership information. Open the appointment and select **Correct Event** in the **Appointment Event History** panel. Open the **Reciprocal Self-Certification Form Information** panel at the bottom of the appointment and select **Yes** under the Reciprocal Member Indicator. 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.

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, contact us at **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 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.

When Not to Report

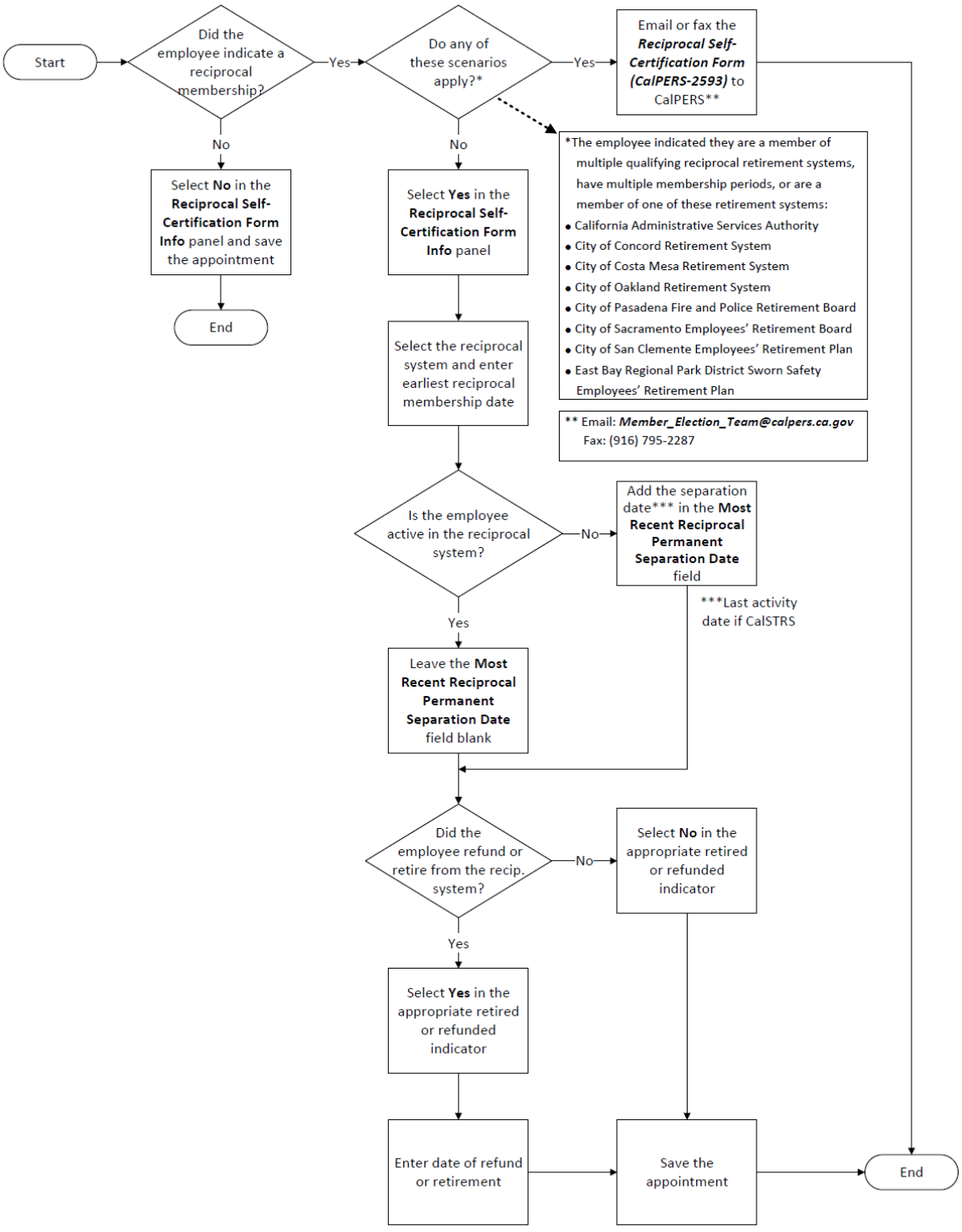
A CalPERS member should not be reported in membership and contributions should not be collected when the member:

- Enters a position excluded by law (other than due to time base/appointment length).
- Enters a position eligible for optional membership and has not yet elected membership. To be a member in such a position, they must submit the appropriate election of optional membership form, regardless of prior membership status. Refer to the Optional Members of CalPERS section for more information.
    - Election of Optional Membership - Elective Officer (myCalPERS 0841) (PDF)
    - Election of Optional Membership - Legislative Employee (myCalPERS 0840) (PDF)
    - Election of Optional Membership - State Appointee (myCalPERS 0842) (PDF)
- Enters a position also in membership with another public retirement system. For applicable exceptions, refer to the Persons Excluded by Retirement Law From CalPERS Membership section.
- 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.

Note: Multiple part-time positions with different agencies should be reported, even if the sum of the hours of the positions exceeds full time.

Processing the Reciprocal Self-Certification Form

Provide the form to all members upon enrollment into membership. When the member returns the form, review it for completion and retain the original form in the member's employment records. Do not send the form to CalPERS*. Process the form in myCalPERS using the following steps:



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.

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, 1.77 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 (Central State Agencies)

CalPERS submits a Transfer Certification Letter with the ACC343 form to the State Controller's Office (SCO) requesting they transfer funds to CalPERS.

Employer Billing for Arrears (Non-Central State Agencies)

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 the 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.

First Tier vs. Second Tier

When determining if an employee should be placed in First or Second Tier, you will need to find out if the miscellaneous or industrial employee is a previous member of CalPERS (i.e., they have service and/or funds on deposit from another contracting public agency, county school, or state agency under CalPERS).

If no, refer to the section to determine when to bring the employee into membership. Once the employee qualifies for CalPERS membership, place the employee into First Tier and provide the employee with the State Miscellaneous & Industrial Members Second Tier Benefit Election Package (PUB 52) (PDF).

If yes, refer to the following.

All First Tier Service (Public Agency, County School, or State)

- The employee is brought into CalPERS membership immediately.
- Place the employee into First Tier.
- Provide the employee with PUB 52.

Mixed First and Second Tier Service

- The employee is brought into CalPERS membership immediately.
- If the break in service is more than 90 days, place the employee into First Tier.
- Provide the employee with PUB 52.
- If the break is less than 90 days, refer to the Mixed First and Second Tier Service (Break in Service Is Less Than 90 Days) section.

All State Second Tier Service Only (No State First Tier, Public Agency, or County School Service)

Permanent separation is less than 90 days:

- The employee is brought into CalPERS membership immediately.
- Place the employee into Second Tier.

Permanent separation is 91 days to six months:

- The employee is brought into CalPERS membership immediately.
- Place the employee into First Tier.
- Provide the employee with PUB 52.

Permanent separation is over six months and the member has less than 10 years of Second Tier service:

- The employee needs to re-qualify for CalPERS membership.
- Upon meeting qualifications, bring the employee into CalPERS membership.
- Place the employee into First Tier.
- Provide the employee with PUB 52.

Permanent separation is over six months and the member has over 10 years of Second Tier service:

- The employee is brought into CalPERS membership immediately.
- Place the employee into First Tier.
- Provide the employee with PUB 52.

Mixed First and Second Tier Service (Break in Service Is Less Than 90 Days):

- If the member's last appointment was state Second Tier, place the member in state Second Tier and do not provide PUB 52.
- If the member's last appointment was state safety, police officer/firefighter (POFF), or California Highway Patrol (CHP), and the member has elected to convert their past state Second Tier service to First Tier service, place the member into state First Tier and do not provide PUB 52.
- If the member's last appointment was state safety, POFF, or CHP, and the member has **not** elected to convert their past state Second Tier service to First Tier service, place the member into state Second Tier and do not provide PUB 52.

The member may contact the CalPERS customer Contact Center at **888 CalPERS** (or **888**-225-7377) to request the election material to elect state First Tier for future and/or past state Second Tier service any time prior to retirement, provided they are employed by the state on or after January 1, 2000.

Account Code Overview

Account Code

Account codes are used by state agencies when appointing employees to a position(s). For employees eligible for CalPERS membership, account codes are used to determine the retirement benefit formula, member contribution rate, and final compensation period (12- or 36-month) to which members are entitled as mandated by law and/or Memorandum of Understanding (MOU).

It is very important to know the employee's membership status and appointment date when determining which account code to use. Using an incorrect account code may cause an under- or overpayment of employer and/or member contributions. It is your responsibility to correctly determine which account code to use.

The following information is needed to help you determine which member group a member should be placed in. If you need assistance in determining an account code, contact the SCO Retirement Liaison Unit at (916) 372-7200.

1. **Member Group** – for the position the member is going into:
    - Miscellaneous – Gov. Code section 20380
    - Industrial – Gov. Code section 20382
    - Safety – Gov. Code sections 20399 to 20415
    - Peace Officer/Firefighter (POFF) – Gov. Code sections 20391 to 20398, and 20416
    - CHP – Gov. Code section 20390

    Refer to the above sections of the California Public Employees' Retirement Law (PERL) to determine the member classification. If after referring to the PERL, you still cannot determine the member classification, contact CalPERS for assistance.

2. **First Tier vs. Second Tier**

    (Applies to state miscellaneous/industrial state civil service members only. CSU members do not have a Second Tier.)

    First Tier refers to a retirement benefit formula where members make contributions to CalPERS and are covered under the state miscellaneous/industrial 2% at 55, 2% at 60, or 2% at 62 formulas.

    Second Tier refers to a retirement benefit formula where members make lower contributions to CalPERS and are covered under the 1.25% at 65 or 1.25% at 67 formulas. Effective July 1, 2013, all Second Tier members contribute to CalPERS.

    Note: CalPERS has determined PEPRA mandates member contributions be made on the full amount of employee earnings and eliminates the contribution and off-set adjustments to the final compensation factor for all new state employees in the state Second Tier retirement benefit formula.

For additional information on the First and Second Tier retirement plans, refer to the *Your Retirement Formula Choices* section of the State Miscellaneous & Industrial Members Second Tier Benefit Election Package (PUB 52) (PDF).

3. **Social Security**

   Miscellaneous/industrial members pay into Social Security. State safety, state POFF, and CHP members do not pay into Social Security.

   Exception: If the member is a non-resident alien with an F-1, J-1, M-1, or Q-1 Visa, they are not subject to Social Security.

4. **Medicare** applies as follows:
   - **Miscellaneous/Industrial** members who elected 'No' to Social Security in 1961 but were rehired following a permanent separation or break in service on/after April 1, 1986, will have to pay Medicare only, no Social Security.
   - **Safety, POFF, or CHP** members:
     - If first hired with the state prior to April 1, 1986, will not have to pay Medicare.
     - If first hired with the state prior to April 1, 1986, and was rehired following a permanent separation or break in service on or after April 1, 1986, will have to pay Medicare.
     - If first hired with the state on or after April 1, 1986, will have to pay Medicare.
     - Exception: If the member is a non-resident alien with an F-1, J-1, M-1, or Q-1 Visa, they are not subject to Social Security.
5. **Final Compensation**
   - Effective September 1, 1991, all state employees were given a one-year final compensation in the calculation of their retirement benefit. This means 12 consecutive months of salary will be averaged to calculate their retirement benefit.
   - Effective September 1, 2006, all new state employees in collective bargaining unit 2 were given a three-year final compensation in the calculation of their retirement benefit. This means 36 consecutive months of salary will be averaged to calculate their retirement benefit. Any state employment in collective bargaining unit 2 prior to September 1, 2006, will exempt the member from the three-year final compensation.
   - Effective January 1, 2007, all new state employees in collective bargaining units 1, 3, 4, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21 were given a three-year final compensation in the calculation of their retirement benefit. This means 36 consecutive months of salary will be averaged to calculate their retirement benefit. Any state employment in the bargaining units listed above prior to January 1, 2007, will exempt the member from the three-year final compensation.

- Effective October 31, 2010, all new state employees in collective bargaining units 5 and 8 as well as new non-represented employees associated with the above collective bargaining units were given a three-year final compensation in the calculation of their retirement benefit. This means 36 consecutive months of salary will be averaged to calculate their retirement benefit. Any state employment in collective bargaining units 5 and 8 as well as new non-represented employees associated with collective bargaining units 5 and 8 prior to October 31, 2010, will exempt the member from the three-year final compensation.
- Effective January 15, 2011, all new state employees in bargaining units 6, 9, 10, and 13 as well as new non-represented employees associated with any collective bargaining units except those associated with 5 and 8 were given a three-year final compensation in calculation of their retirement benefit. This means 36 consecutive months of salary will be averaged to calculate their retirement benefit. Any state employment in the bargaining units listed above as well as new non-represented employees associated with any collective bargaining units except those associated with 5 and 8 prior to January 15, 2011, will exempt the member from the three-year final compensation.

6. **Retirement Formula Changes**

   The retirement formula and method of calculating final compensation for collective bargaining units 1, 3, 4, 11, 14, 15, 17, 20, and 21 for employees first employed with the state on January 15, 2011, through December 31, 2012, with no prior service, will be as follows:

   Note: Prior state employment includes any state service (e.g., part-time, seasonal, or temporary employment) that can be purchased as CalPERS service credit.

   - Miscellaneous/Industrial – 2% at 60 formula based on three-year highest compensation
   - State Safety – 2% at 55 formula based on three-year highest compensation
   - Second Tier – 1.25% at 65 formula based on three-year highest compensation

   Refer to the California Department of Human Resources (CalHR) website for more information.

7. **Collective Bargaining Unit (CBU)**
   - Some account codes are based on what CBU the member is in. For state civil service employees, there are currently 21 bargaining units (1 – 21).
   - Non-represented members are supervisors, confidential employees, and managers (S, C, and M). With this group, ignore the bargaining unit number if the member is miscellaneous, industrial, or safety.

   Note: For the non-represented exempt employee whose Collective Bargaining Identification (CBID) (Section 126 on the Personnel Action Request (PAR)) is E01 through E21, they will be associated with the particular CBU. If the employee's CBID is anything else, e.g., E; E00; E48; E97; E99 etc., they will be associated with all the other non-represented groups of supervisors, confidential employees, and managers (S, C, and M).

8. **Concurrent Employment**

   If the employee is concurrently working in another CalPERS-covered position, enroll them into membership and CalPERS will determine which position is overtime. Refer to the Overtime Positions section for additional information.

Where Have Coverage Groups Gone?

In the past, CalPERS assigned coverage group codes to designate a specific retirement benefit formula for a group of employees. Each coverage group code was unique for each retirement benefit formula. For state employers, the correct coverage group code depended on Gov. Code provisions and specific dates pertinent to the employment history of each employee. This is required knowledge to determine the correct coverage group code to enroll an employee into.

You no longer need to select the appropriate coverage group code because myCalPERS now determines the retirement benefit formula of each member based on a combination of data elements reported by the employer. This change allows myCalPERS to be more robust and flexible in meeting the demands of future Gov. Code provisions. This will ensure proper benefit payments to our future retirees and beneficiaries, with less room for error.

Account Code Questions

Effective August 24, 2015, SCO has requested that state agencies contact the SCO Retirement Liaison at (916) 372-7200 for questions regarding account codes, requests for account code corrections, adjustments, and/or verification.

Specific questions concerning membership eligibility should be directed to the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

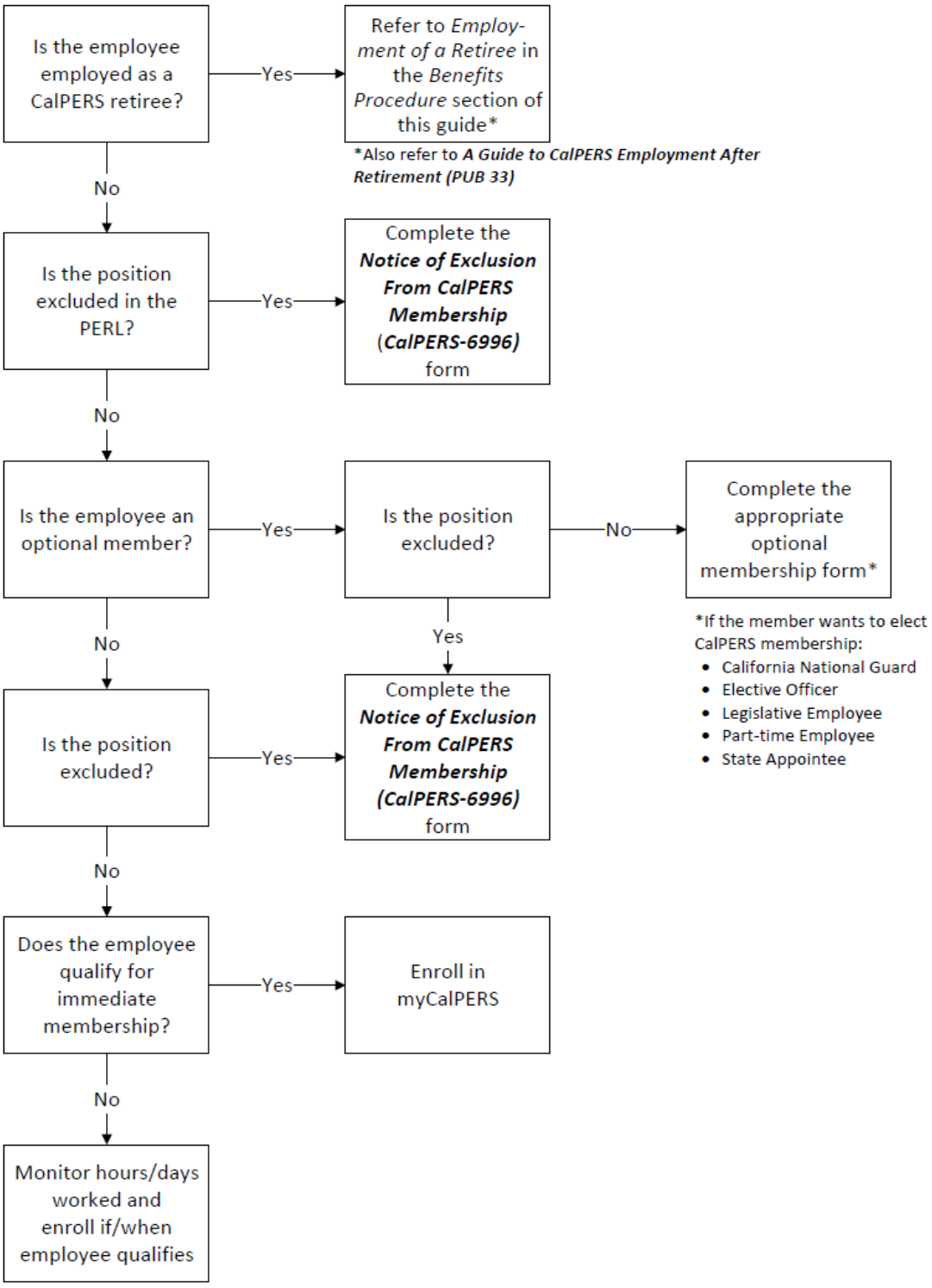
The Alternate Retirement Program (ARP) – Civil Service Only

The Alternate Retirement Program (ARP) was a mandatory savings plan for certain new first-time state miscellaneous and industrial employees hired on August 11, 2004, through June 30, 2013.

State miscellaneous and industrial employees who became CalPERS eligible on or after July 1, 2013, are not subject to ARP.

For more information on ARP, refer to the CalHR website.

Determining Membership Eligibility



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 that 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.

Exception

Gov. Code section 20303(b)(4) provides that persons participating in a "supplemental defined benefits plan" that have received a ruling from the Internal Revenue Service (IRS) qualifying the plan under section 401(a) of the Internal Revenue Code, where the plan provisions state that CalPERS is the primary plan for these employers and plan participation will not in any way interfere with CalPERS benefits, are not prohibited from such dual participation.

Health and Welfare or Trade Rate Employment

Employees hired in skilled trades classifications are excluded from CalPERS if payments are made to the Health & Welfare Fund of the Union (use account codes NA or NH, depending on whether the employee is subject to Medicare coverage). If the employee is not entitled to have payments made to the Health & Welfare fund, use normal CalPERS eligibility rules for determining membership.

Independent Contractors

This section provides guidance for state departments on how to determine whether an individual qualifies as a State of California employee for CalPERS membership and related benefits.

If someone qualifies as state employee, they are subject to the membership rules of the PERL. Conversely, independent contractors are not employees and are excluded from membership in CalPERS by Gov. Code section 20300(b).

An individual is considered a State of California employee for CalPERS purposes if they meet the definition set forth in Gov. Code section 20028(a). The law requires the individual must be both in the employ of the state, and their compensation must be paid from funds directly controlled by the state. If the individual does not meet both of these criteria, then they are not a state employee and not eligible for membership for that service.

To be in the employ of the state, the individual must be properly appointed to a state position in accordance with the Civil Service Act or other authorized appointment mechanisms. A proper civil service appointment typically requires:

- Successful completion of a civil service examination (if applicable)
- Selection from a certified eligibility list

- Documentation of appointment to a recognized state position

The individual's wages must be paid directly by the State of California from state-controlled funds.

Note: Individuals paid by third-party entities (e.g., auxiliary organizations, temporary staffing agencies, or other non-state employers) are not considered state employees for CalPERS purposes, even if their work is performed at a state agency or under state supervision.

For further clarification of independent contractors or 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 predominantly, 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 Aides in Special Schools of the State Department of Education

Students working as student aides at one of the special schools of the State Department of Education are excluded from membership in this system.

California Conservation Corps Participants

Participants, other than staff officers and employees, are excluded from membership.

Assembly Fellows, Senate Fellows, and Executive Fellows

Program employees are excluded. For **CSU employees only**, this is Class Code 2944. Once the employee becomes a member, this time may be purchased. Refer to A Guide to Your CalPERS Service Credit Purchase Options (PUB 12) (PDF 1.52 MB) for more information.

Inmates of State Institutions

Inmates of state institutions, including prison/penitentiary or mental hospital, are excluded from CalPERS membership by Gov. Code section 20300(a) even if they are receiving compensation for services they perform.

Exclusions Applicable Only to California State University

Student Assistants Indicated by the Following Class Codes

0100 Youth Summer Aid

1150 Instructional Student Assistant

1151 Instructional Student Assistant, On-Campus Work Study

1868 Student Assistant — Non-Resident

1869 Resident Assistant

1870 Student Assistant

1871 Student Trainee, Work Study on Campus

1872 Student Trainee, Work Study off Campus

1874 Bridge Student Assistant

1875 Bridge Student Trainee, On-Campus Work Study

1876 Bridge Student Trainee, Off-Campus Work Study

2325 Graduate Assistant, Monthly

2326 Graduate Assistant, On-Campus Work Study

2355 Graduate Assistant

Extension Service

Where compensation is established based on class enrollment, these are indicated by the following class codes:

2322 Instructional Faculty, Special Programs

2323 Instructional Faculty, Extension — For Credit

2362 Demonstration Instructional Faculty

2363 Instructional Faculty, Extension — For Non-Credit

2365 Instructional Faculty, Music Studio

Summer Session/Intersession

Employment in the following class codes is generally excluded from CalPERS since employment is typically in addition to other full-time employment. However, if employment in the other class is less than full time, then the following class codes are reportable to CalPERS:

2357 Instructional Faculty, Summer Session

2368 Instructional Faculty, Extra Quarter Assignment, QSYRO

2390 Instructional Faculty, Summer Quarter Assignment

2394 Instructional Faculty, Executive Committee, Academic Senate

2395 Instructional Faculty, Chairman, Academic Senate

2402 Instructional Faculty, Summer Arts Program

Exclusions Applicable Only to University of California

Employees Hired After October 1, 1963

Persons are excluded from CalPERS membership and subject to the University of California Retirement Plan.

Determining Retirement Benefits

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

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

Note: Prior to January 1, 2013, the state hire date determined the retirement benefit formula. After January 1, 2013, the membership date determines the retirement formula.

Scenario 1 – Classic Member

An employee hired by a state agency on October 1, 2012, and enrolled in CalPERS membership subsequently separates from the employer on March 31, 2013. The employee is later hired by a different state agency on December 1, 2013, after PEPRA took effect on January 1, 2013.

Result: Although the employee had a break in service of more than six months between the separation date and return to a state agency, they are considered a classic member.

Scenario 2 – Classic Member

An employee was hired by a state agency and enrolled into CalPERS membership on February 1, 2003, under the 2% at 55 retirement benefit formula. The member separated and withdrew their CalPERS contributions, terminating their membership. Starting 2009, legislation changed the retirement benefit formula for state miscellaneous and industrial member to the 2% at 60 retirement benefit formula. On May 1, 2015, the employee is rehired with a different state agency and again qualifies for membership.

Result: Although the member had more than a six-month break in service, they returned to a state agency and are considered a classic member subject to the 2% at 55 retirement benefit formula without having to redeposit their withdrawn contributions.

Scenario 3 – Refunded Classic Member

A member separated from a state 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 another state agency 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, they were previously eligible for classic membership.

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 4 – 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 state agency.

Result: The member would be a PEPRA member and subject to the PEPRA retirement benefit formula since the member retired and is reinstating to a state agency and there is a break in service of more 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 in the Benefits Procedures chapter of this guide.

Optional Members of CalPERS

Gov. Codes provide optional membership rights for certain elected and appointed officers. 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, 1.52 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:

1. 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.

2. 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 legislative employee begins their position on January 1, 2024, they have until April 1, 2024 (90-day period) to submit the Election of Optional Membership – Legislative Employee (myCalPERS 0840) (PDF) and for CalPERS to receive the election to retain the enrollment eligibility date of January 1, 2024. In this example, if the election is received by CalPERS on June 15, 2024, the enrollment eligibility date for this appointment will be June 1, 2024, 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.

Types of Optional Members

There are **four** classes of state employees eligible for optional membership.

1. **State Elective Officers** (Gov. Code section 20322)
   a) Constitutional Officers: Governor, Lieutenant Governor, Secretary of State, Controller, Treasurer, Attorney General, or Insurance Commissioner
   b) Legislative Statutory Officers: Can elect CalPERS membership effective January 1, 2013 (Gov. Code sections 9355.4, 9355.41, and 9355.45)
2. **Appointees of State Officers** (Gov. Code section 20320)
   a) Persons directly appointed by the governor, without nomination of any officer or board
   b) Persons exempt from civil service and directly appointed by the:
      - Attorney General
      - Lieutenant Governor
      - Controller
      - Secretary of State

- Treasurer
- Superintendent of Public Instruction (except for teaching staff of schools)

c) Members of the Board of Prison Terms, the State Personnel Board, or the State Air Resources Board

3. **Officers of the Senate or Assembly** (Gov. Code section 20322(b))
   Elected by either or both such houses.
4. **Legislative Employees** (Gov. Code section 20324)
   Employees of the Senate or the Assembly whose salaries are paid from the operating funds of the Senate or the Assembly.
   Note: Legislative employers should use the Public Agency & Schools Reference Guide (PDF, 2.34 MB) for most of their questions since they are not covered by the Uniform State Payroll System.

General Provisions and Instructions

Eligible optional members are excluded from membership unless a signed election for membership is filed with CalPERS. The table shows the forms needed to be completed by the type of optional members.

Form Number	Type of Optional Member
myCalPERS 0840 (PDF)	Legislative Employees
myCalPERS 0841 (PDF)	Elective Officers
myCalPERS 0842 (PDF)	Appointees of State Officers
myCalPERS-1004 (PDF)	California National Guard

- Membership may be elected at any time while in an eligible optional member position.
- Any officer concurrently employed in a position also covered by CalPERS should contact CalPERS to determine the impact if optional membership were to be elected.
- Any officer concurrently employed in a position reportable to a private benefit plan or another retirement system should first contact that organization to determine if CalPERS membership will impact their benefits.
- An officer appointed to an unexpired term of office has the same optional membership rights as if they were elected to the position.
- Optional member eligibility is defined by provisions in the PERL; however, membership cannot be established unless the employee qualifies based on the same criteria that is applied to compulsory members. The pay rate and earnings reported to CalPERS will determine the amount of service credit the officer accrues.

Election of Optional Membership

A completed and signed Election of Optional Membership form (refer to the table in the previous section) is required to establish membership for a member who qualifies for optional membership under Gov. Code sections 20320 through 20327.

You must submit the election form to CalPERS along with enrollment information to SCO to satisfy legal requirements. Election forms may be downloaded from our Forms & Publications webpage.

Note: Legislative employees electing optional membership do not report through the SCO, therefore are directly enrolled in myCalPERS.

When to Complete

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

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 optional member information provided to the officer. **Do not send a notice to CalPERS if membership is not elected.**

The election form should not be completed as a request for additional information or service credit. It is to be completed only when the officer has decided to establish CalPERS membership for the optional position.

When changing optional member positions within the same agency, or with another CalPERS-covered agency, the officer must complete an additional optional member election and should submit it to CalPERS.

Service Credit

Optional member service is employment in certain exempt, appointed, or elected positions. The pay rate and earning reported to CalPERS will determine the amount of service credit the optional member accrues.

Eligible optional members with CalPERS membership may be able to purchase service credit for prior optional member employment. Retired members cannot purchase service credit for optional member service.

Legislative employees, pursuant to Gov. Code section 20324, may purchase prior legislative service and have the option as to how much of their previous legislative employment is to be credited.

The 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 Service Credit Purchase Options (PUB 12) (PDF 1.52 MB) for further instructions on submitting a service credit purchase request. Do not attach the request to the optional member election forms, it should be submitted separately.

Electing National Guard Membership

The election form must be submitted to the Military Department and should **not** be submitted to CalPERS. The military will verify the person's National Guard status, contact the member to arrange a contribution payment plan, and submit the membership form to CalPERS. Once elected, the membership remains in effect for all future service with the California National Guard. A National Guard member may be eligible to purchase past National Guard service and/or redeposit contributions previously withdrawn from CalPERS once they elect membership. Other types of qualifying purchasable service credit include certain types of leave of absence.

National Guard Benefits

National Guard members are covered by the state miscellaneous benefit formula. A National Guard member does not have all the benefits of a state employee. State benefits not available to National Guard members include CalPERS health benefits, state dental and vision care benefits, golden handshake retirement incentives, and the use of salaries under another CalPERS employer or a reciprocal retirement system to compute final compensation for their National Guard service.

One-time Cancellation of National Guard Membership

Gov. Code section 20327 provides that a National Guard member may, on a prospective basis, cancel their election of membership by filing a written notice of cancellation. This prospective cancellation may be made one time only.

To prospectively cancel National Guard membership, the member must complete a form which can be obtained by emailing memberelectionteam@calpers.ca.gov.

When a member elects to prospectively cancel CalPERS membership, they stop paying contributions. Contributions already paid to CalPERS remain in the member's account at CalPERS and continue to earn interest. If a member has elected to purchase service credit, cancelling their membership prospectively may impact their service credit purchase. Members in this circumstance should contact CalPERS for more information.

If a member cancels their CalPERS membership and separates from the California National Guard, they may be eligible to receive a refund of their contributions and terminate their CalPERS account.

For more information on National Guard membership refer to What You Need to Know About Your CalPERS National Guard Benefits (PUB 11) (PDF).

CBU 3 OR CBU 21 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.

A CalSTRS member who subsequently becomes employed by a state department under certain conditions outlined in Ed. Code 22508 (in CBU 3 – Professional Educators and Librarians or CBU 21 – Educational Consultants and Library) and requires membership in CalPERS, may elect to stay with CalSTRS.

The Ed. Code section 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.

Ed. Code section 22508(a)

A CalSTRS member, who subsequently is employed by a school district, community college district, or a County Superintendent of Schools (or by the state in other certain cases; refer to the Inclusion section in this guide) in a position which requires CalPERS membership (i.e., a classified position) will be enrolled into CalPERS membership in the new position. However, they may elect to remain a member of CalSTRS in the new position. A member of the CalSTRS Defined Benefit Program, who subsequently is employed by a school district, community college district, a County Superintendent of Schools, or by the state in other certain cases (refer to the Inclusion section in this guide) in a position which requires CalPERS membership (i.e., a classified position) will be enrolled into CalPERS membership in the new position. However, they

may elect to remain a member of CalSTRS within 60 days from the date of hire in the new position by completing the Retirement System Election (ES 0372) form.

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 that enter state employment when one of the following conditions apply:

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.

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) (PDF) 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.

Send elections to:

CalSTRS
P.O. Box 15275
Sacramento, CA 95851-0275

and

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

When a member elects CalSTRS coverage for a CalPERS reportable position, you are required to send the completed election form to CalPERS at memberelectionteam@calpers.ca.gov. You must also send the election to CalSTRS.

Use the chart 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) 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

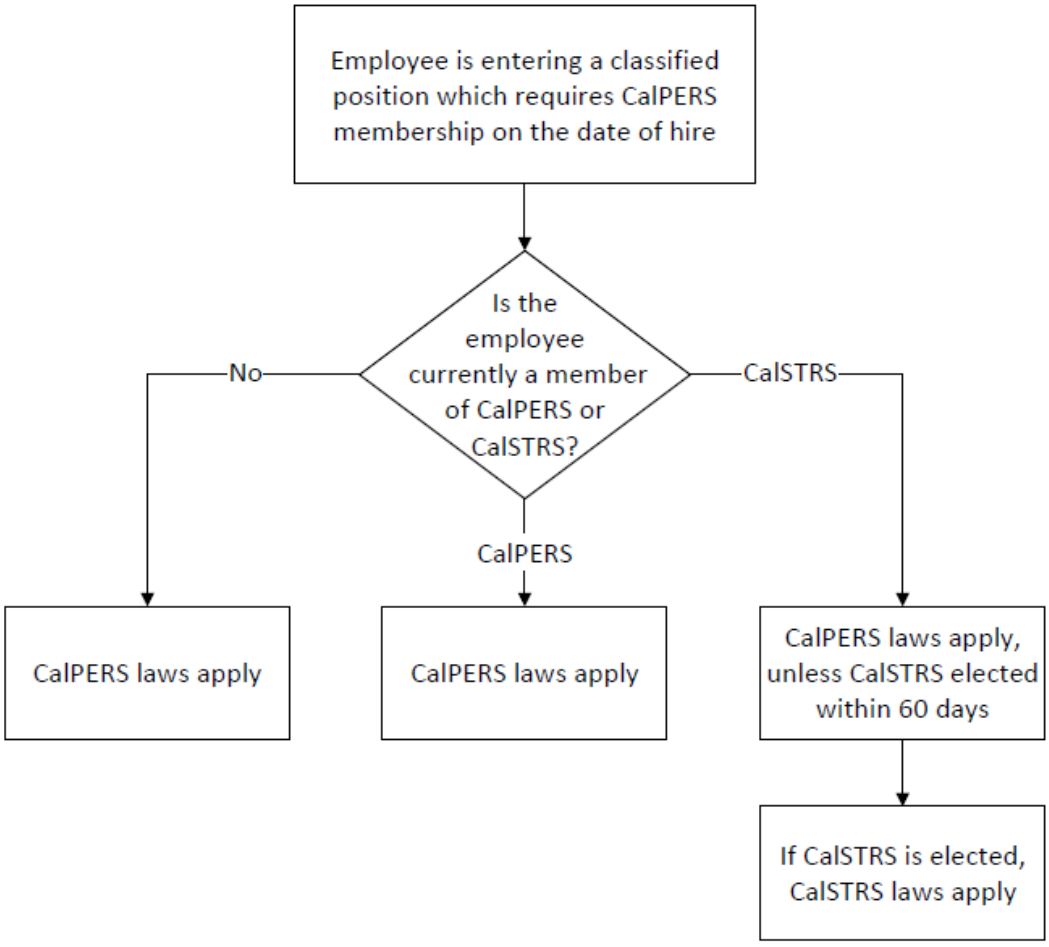
Fax: (916) 414-5040

www.calstrs.com

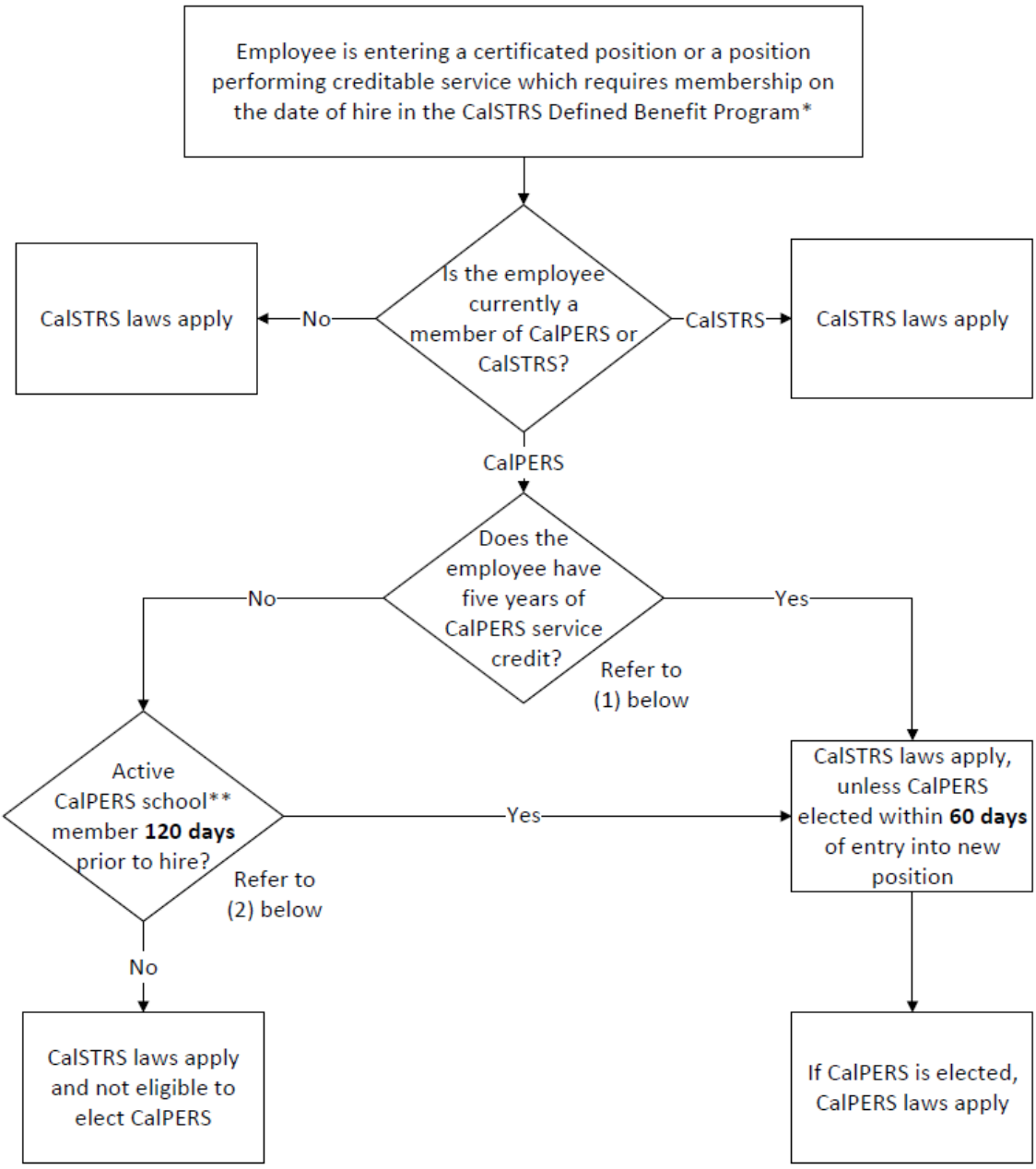
Additional Information

- 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 different 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.

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."

All positions must be reported to CalPERS. If an employee has both a part- 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/non-contributory 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 reflected in myCalPERS. This means you should enroll the member through the Personnel Information Management System (PIMS)/California State University (CSU).

If CalPERS determines the position with your department is overtime, your department will need to contact SCO instructing them to update the account code for the overtime position to NM. SCO will reverse the overtime contributions and refund these contributions to the member. CalPERS does not refund the member their overtime contributions.

The following scenarios illustrate proper enrollment and reporting for participants 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 reported to CalPERS. CalPERS will make the determination on which position is overtime (non-contributory).
- The member holds more than one part-time position with the same CalPERS-covered employer.
    - **Action**: All positions must be reported to CalPERS.
- The member works two full-time positions, either with the same employer or with two different CalPERS-covered employers.
    - **Action**: Both positions must be reported to CalPERS. 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), the 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 the election rights indicated above **only** for the employment **prior to July 1, 1994**. Employment on or 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, SCO, and CalPERS, verify and make any changes to your employees' demographic information via SCO's Personnel Information Management System (PIMS), as this will update myCalPERS within 1-2 days. Non-central state agencies will make the updates in myCalPERS directly.

Active Member Instructions

Verify the verification document(s) and process the change by updating myCalPERS or PIMS 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 one of the applicable verification documents listed on this page and to complete the myCalPERS 0351 form located in their myCalPERS account.

Validation Documents

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

Name

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

- Social Security card

Social Security Number

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

- Social Security card

Gender

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

- Birth certificate/Delayed birth certificate
- Border crossing card with I-94
- Driver's license
- Foreign passport with I-94
- Naturalization or U.S. passport

- 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 verification 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 System (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 their system. The member should check with the appropriate system for information.

Other Reciprocal Provisions

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 this 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 a 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 the 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 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 System
P.O. Box 942705
Sacramento, CA 94229-2705

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

Long-Term Care Program Members

If the member is enrolled in the CalPERS Long-Term Care Program and has premiums deducted from their warrant, they should call the program's Customer Service Center at (800) 982-1775 to find out what steps they need to take to continue their premiums after retirement.

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 career.

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 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 for 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.

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

Layoff, Prior Service, and Optional Member Service

Layoff and prior service are only available to contracted public agency employers that have included the applicable benefits in their contract with CalPERS.

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.

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.

Credit for Military Service Prior to Employment

Gov. Code section 21029(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 credit for their military service, provided they:

1. Are currently employed with or retired directly (within 120 days of separation) from state or school employment
2. Have a minimum of one year of CalPERS service and one year of military service
    a. 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.
3. Were not dishonorably discharged from active duty
4. Make an election to purchase military service credit
5. Retired on or after December 31, 1981, if a state or school retiree

Members with public agencies which have contracted for military service benefits under Gov. Code sections 21024 (for active members) and 21027 (for retired members) may also be eligible to receive credit for their military service. Retired members must have retired directly within 120 days of separation from public agency employment and before the effective date of the election by their employer to be subject to section 21024. Employers contracting for section 21027 must have also contracted for section 21024.

To get an estimate 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 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 Purchase Options (PUB 15) (PDF) or visit our website.

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 their 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

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 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.

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 whose 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 the 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 a military leave or have resigned from employment for the purpose of entering active duty into 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 Purchase Options (PUB 15) (PDF) or visit our Service Credit webpage.

Alternate Retirement Program (ARP)

State members are eligible to purchase their ARP service credit if they:

- Were a new state miscellaneous or industrial employee hired on August 11, 2004, through June 30, 2013, and
- Have reached the conclusion of their three-month ARP election period and did not elect to convert their ARP time to CalPERS service credit; or
- Received a distribution of ARP funds after separating from state service, but prior to their three-month election period; or
- Had ARP funds distributed to a former spouse or domestic partner while funds were being maintained by CalHR

It is recommended the member submit their request form at least one year in advance of their planned retirement date. All elections to purchase service credit must be received prior to retirement.

Excluded Positions

If the requested employment is excluded by law, 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. Refer to the Persons Excluded by Retirement Law From CalPERS Membership section for more information.

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 to the A Guide to CalPERS Community Property (PUB 38A) (PDF, 2.40 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 to A Guide to Completing Your CalPERS Disability Retirement Election Application (PUB 35) (PDF, 1.23 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.

CSU – Only Membership

The California State University

Overview

The California State University (CSU) is comprised of 23 campuses and the Office of the Chancellor, which is the administrative headquarters for the CSU system. Responsibility for the CSU is vested in the Board of Trustees, whose members are appointed by the governor. The trustees appoint the chancellor, who is the chief executive officer of the system, and the presidents, who are the chief executive officers on the respective campuses. The CSU employs over 45,000 faculty and staff. It is important to note, while the CSU is considered a state agency, it is not part of the civil service structure and, as a result, is not covered by the rules and regulations of the California Department of Human Resources. Generally, the CSU is governed by different Government (Gov.) Code sections than civil service, in addition to the Education (Ed.) Code and Title 5 regulations. The Office of the Chancellor is responsible for developing policy governing the CSU. Under the purview of the Higher Education Employer - Employee Relations Act (HEERA), CSU employees are designated into the following employee categories: Executive (E98), Management Personnel Plan (MPP) (M80), Confidential (C99), Excluded (E99), and ten separate collective bargaining units (R01-R10). These collective bargaining units are separate and distinct from the unions

representing civil service employees. A list of the current unions and their agents is provided on the CSU Labor and Employees Relations webpage.

Due to the Public Employees' Pension Reform Act (PEPRA), effective January 1, 2013, CalPERS will consider movement between California public retirement systems subject to reciprocity when we determine which benefit formula applies to your employees. Employees should refer to their member benefit publication on our Forms & Publication webpage for more information on new member benefit formulas mandated by PEPRA.

All new hires on or after January 1, 2013, who are CalPERS members must complete the Reciprocal Self-Certification Form (CalPERS-2593) (PDF) to accurately process membership enrollment (new vs. classic member) for every new appointment. Refer to the Processing the Reciprocal Self-Certification Form section in myCalPERS for instructions on how to process the form.

Note: Each employer must retain a copy of the CalPERS-2593 form and the participant details necessary to categorize individuals as new or classic members in their database(s).

Retirement Programs

Eligible CSU employees participate in one of the following CalPERS retirement programs.

Peace Officer/Firefighter (POFF) 3% at 50

Effective January 1, 2002, covered, eligible, active MPP public safety employees and public safety employees covered by the CSU - State University Police Association (SUPA) Unit 8 who were hired by the state prior to July 1, 2011, are subject to this formula. Safety members who were inactive as of January 1, 2002, remain under the 3% at 55 formula. Employees who were active on/after January 1, 2002, and were first hired by the state prior to July 1, 2011, are subject to the 3% at 50 formula and a one-year final compensation period.

Peace Officer/Firefighter (POFF) 2.5% at 55

All state employees first hired by the state on/after July 1, 2011, who are appointed to or transfer to a POFF position in either an MPP covered position or into a position covered by the CSU – SUPA Unit 8 are subject to the 2.5% at 55 POFF formula and a three-year final compensation period.

State Safety 2.5% at 55

Effective July 1, 2001, police officer, intermittent employees in the E99 collective bargaining unit became subject to the 2.5% at 55 state safety formula. Employees who were active on/after July 1, 2001, and first hired by the state prior to January 15, 2011, are subject to the 2.5% at 55 POFF formula and a one-year final compensation period.

State Safety 2% at 55

State employees first hired by the state on/after January 15, 2011, who are appointed to or transfer to a police officer intermittent position in the E99 collective bargaining unit are subject to the 2% at 55 state safety formula and a three-year final compensation period.

State Safety 2% at 57, 2.5% at 57

State employees who are appointed to or transfer to a state safety position on or after January 1, 2013, are subject to the PEPRA retirement formula.

State Miscellaneous 2% at 55

State employees first hired into a state miscellaneous position prior to January 15, 2011, are subject to the 2% at 55 state miscellaneous formula and a one-year final compensation period.

State Miscellaneous 2% at 60

State employees first hired on/after January 15, 2011, who are appointed to or transfer to a state miscellaneous position, are subject to the 2% at 60 miscellaneous formula and a three-year final compensation period.

State Miscellaneous 2% at 62

State employees who are appointed to or transfer to a state miscellaneous position on or after January 1, 2013, are subject to the PEPRA retirement formula.

Additional Retirement Program Information and Exceptions

For more information on CalPERS benefits for state members, refer to Welcome to CalPERS: A Benefits Guide for State Members (PUB 4) (PDF).

Membership Eligibility

The following applies to positions not considered temporary faculty and subject to different membership rules.

- Temporary, full-time employees who are not already CalPERS members are excluded from CalPERS membership for the first six months. If employment extends beyond six months, membership is mandatory, effective no later than the first day of the seventh month of employment. The employer is responsible for monitoring the employment period (Gov. Code section 20305 (a)(3)(A)).
- Temporary, part-time employees working in a position with a time base of less than 20 hours a week, who are not already CalPERS members, are excluded until the employee works 1,000 hours (or 125 days if paid on a per diem basis) in a fiscal year (July 1 – June 30). Membership is mandatory, 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. Overtime hours worked are included when counting hours or days for purposes of determining qualification for membership. The employer is responsible for monitoring the number of hours worked (Gov. Code section 20305 (a)(3)(B)).

Temporary Faculty Eligibility Rules

- If appointed for an academic year at full time, the employee qualifies for CalPERS membership at the time of the appointment.

- If appointed for a semester/quarter at half time or more, the employee qualifies for membership at the beginning of the third consecutive semester at half time or more, or at the beginning of the fourth quarter at half time or more, respectively.
- If appointed for an academic year at half time or more, the employee qualifies for membership at the beginning of the third consecutive semester at half time or more or at the beginning of the fourth quarter at half time or more (Gov. Code section 20305 (a)(4)(A)).
- If appointed for a non-academic year, e.g., 10 or 12 months, CalPERS membership rules follow the same eligibility criteria as staff appointment types (Gov. Code section 20305).

Specific questions concerning membership should be directed to the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

CSU Membership Chart

Status – Current CalPERS Member (actively contributes, has funds on deposit, or has service credit)

Appointment Type	**Membership Mandatory at Time of Appointment**	**Initially Excluded, but Monitor Time Worked**	**Excluded**
Summer session or inter-session academic employment if the employee is **not** full time (Gov. Code section 20300 (k))	Yes		
Appointments **other than** those listed in the **excluded** status	Yes		

Status – Excluded (regardless of current membership status)

Appointment Type	**Membership Mandatory at Time of Appointment**	**Initially Excluded, but Monitor Time Worked**	**Excluded**
Employees covered by California State Teachers Retirement System (CalSTRS) (Gov. Code section 20300 (g))			Yes
Student assistants (Gov. Code section 20300 (c))			Yes

Extension faculty whose compensation is based on class enrollment (Gov. Code section 20300 (j))			Yes
Summer session or inter-session academic employment if the employee is full time (Gov. Code section 20300 (k))			Yes
Independent contractors (Gov. Code section 20330 (b))			Yes
Individuals employed as result of Job Training Partnership Act of 1982, CETA miscellaneous position on or after July 1, 1979, may buy back earlier service (Gov Code section 20330 (f))			Yes

Status – Not a Current Member (never a member or had contributions refunded)

Appointment Type	**Membership Mandatory at Time of Appointment**	**Initially Excluded, but Monitor Time Worked**	**Excluded**
Full-time appointment for more than six months (Gov. Code section 20305 (a)(3)(A))	Yes		
Full-time appointment for less than six months (Gov. Code section 20305 (a)(3)(A))		Yes	
Works an average of 20 hours per week; appointment is for one year or longer (Gov.	Yes		

Code section 20305 (a)(2))			
Works less than 20 hours per week (Gov. Code section 20305 (a)(3)(B))		Yes	
Irregular basis appointment (e.g., seasonal, emergency, hourly intermittent, substitute, special consultant, on call, limited term, etc.) (Gov. Code section 20305 (a)(3)(B))		Yes	
Temporary faculty (A-52 appointment) for one academic year (less than six months) at full time		Yes	
Temporary faculty (A-52 appointment) for one academic year (greater than six months) at full time	Yes		
Temporary faculty (A-52 appointment) for one academic year at part time		Yes	
Temporary faculty (A-52 appointment) for semester/quarter at full time		Yes	
Temporary faculty (A-52 appointment) for semester/quarter at part time		Yes	

Account Codes

Effective August 24, 2015, the State Controller's Office (SCO) has requested state agencies contact the SCO retirement liaison at (916) 372-7200 for questions regarding account codes, requests for account code corrections, adjustments, and/or verification.

Specific questions concerning membership eligibility should be directed to the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

Benefits

CSU retirees receive the following benefits:

- Full health benefits upon retirement at age 50 with five years of service credit or with established reciprocity.
- Coverage under a basic dental plan paid for by the CSU.
- Faculty Early Retirement Program (FERP) participants continue enrollment in an enhanced dental plan and receive the CSU vision benefit if appointed half time or more. Upon completion of the FERP service, the retiree drops to a basic dental plan and is not eligible for vision coverage.

Faculty Programs — Early Retirement, Reduced Time Base, and Leaves

The CSU has the following retirement-related programs unique to faculty employees.

Faculty Early Retirement Program (FERP)

FERP permits tenured faculty or tenured librarian employees who retire the ability to work one semester or an average percentage for the academic year at the same rank and salary held prior to retirement. To be eligible, the employee:

- Must be at least age 55
- Must be eligible for service retirement
- Must be granted service retirement
- Shall be entitled for no more than five years

The assignment shall be one academic term not to exceed a total of 90 days or 50% of the employee's hours worked (time base) in the fiscal year proceeding retirement, whichever is less. Participants may request further reduction in time base; however, the reduction shall continue for the duration of the FERP appointment.

Participation in FERP shall commence at the beginning of the campus academic year. Service retirement shall begin concurrently with, or prior to the beginning of the campus academic year. Participants may be appointed in university extension (consistent with the CSU Additional Employment Policy) during the academic term(s) under FERP. Additional CSU employment is not allowed.

Continued employment in FERP shall terminate in the event of dismissal for cause, layoff, or failure to meet the employment commitment.

In addition to the retirement pay appropriate to the age and years of service at the time of retirement, participants are paid for the teaching assignment on a pro rata basis, in accordance with the rank and salary held at the time of retirement.

Since participants are retired, no service credit is accumulated through this program. For this reason, there is no retirement contribution or Social Security withholding. To ensure this, report the FERP appointment using appointment code A56 on the PIMS report. Sick leave is converted to service credit upon retirement. Participants are ineligible for sabbatical leaves or other paid leaves.

Reduced Workload Program — CSU Faculty (Gov. Code Section 20900)

A member participating in the Reduced Workload Program will reduce their 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 was 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. To be eligible to participate in the Reduced Workload Program, members must meet each of the following criteria:

- Be an academic employee of the California State University
- Be subject to the criteria provided in Ed. Code 44922, 87483, or 89516
- Must not be older than 70 years of age
- 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 20900.

CalPERS members and employers must complete the Reduced Workload Program Eligibility and Election Certification Form (CalPERS-7021) (PDF) and submit this form to CalPERS.

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

Pre-retirement Reduction in Time Base (PRTB)

Tenured faculty in Bargaining Unit 3 with 10 years of full-time service (with at least the last five years being continuous full time) are eligible to apply for the PRTB program. Sabbatical and other approved leaves shall not constitute a break in service. However, time spent on sabbatical or on other approved leaves shall not be used to satisfy the five-year full-time employment requirement. Applicants must be 55 to 64

years of age for CalPERS, or 55 to 63 for CalSTRS. Faculty members in this program are not retired. The program allows faculty to reduce their time base to two thirds, one half, or one third for up to five years. Participants retain the same rank and status they had prior to participation. The campus sets the PRTB assignment and work schedule. For example, a participant on a half-time assignment may work full time for one semester or half time for the academic year, depending on the needs of the campus.

If a participant fails to meet the employment commitment, salary adjustment or repayment of an overpayment may be required.

PRTB participants are considered full time to restrict additional employment. Salary is prorated according to time base and paid in 12 equal monthly installments per year.

Service credit is accumulated as though working full time and retirement contributions are based on the full-time salary rate. Social Security contributions are based on actual salary earned.

Participants in the PRTB program:

- Retain sick leave and accumulate additional sick leave on a pro rata basis
- Are not eligible for sabbatical leaves or other paid leaves
- Remain eligible for health and other benefits

Retirement and entry into FERP are allowed after participation in PRTB, provided the eligibility requirements are met. The FERP employment options are based on the PRTB reduced time base.

Sabbatical Leaves

All full-time faculty unit employees are eligible to apply for a sabbatical leave after six years of full-time service at a campus and after six years of service since the last sabbatical or difference in pay (DIP) leave. Final approval of sabbatical leave shall not be granted until the applicant has filed a suitable bond, an accepted statement of assets, or a promissory note that totals at least the amount of salary to be paid during the leave.

Faculty on sabbatical leave are considered in-work status and entitled to the same provisions of employment and applicable benefits provided by the CSU in the same manner as if the employee were not on sabbatical leave. However, service credit towards retirement will be reduced according to the earnings the employee will receive.

Faculty unit employees on sabbatical leave shall not accept additional and/or outside employment without prior approval from the campus president.

Faculty shall render service to the CSU upon return from sabbatical leave at the rate of one term of service for each term of leave.

The salary for a faculty member on sabbatical leave is paid in accordance with the collective bargaining agreement. If the sabbatical is longer than one semester or quarter, the salary is at a reduced rate and service credit is reduced.

For information about purchasing sabbatical leave service credit refer to A Guide to your CalPERS Service Credit Purchase Options (PUB 12) (PDF, 1.52 MB).

Difference in Pay (DIP) Leaves

All full-time faculty unit employees are eligible to apply for DIP leave after six years of full-time service at a campus and after three years of service since the last sabbatical or DIP leave.

Final approval of a DIP leave shall not be granted until the applicant has filed a suitable bond, an accepted statement of assets, or a promissory note that totals at least the amount of salary to be paid during the leave.

Faculty on DIP are considered in-work status and entitled to the same provisions of employment and applicable benefits provided by the CSU in the same manner as if the employee were not on DIP leave.

However, service credit towards retirement will be reduced according to the earnings the employee will receive.

Faculty unit employees on DIP leave shall not accept additional and/or outside employment without prior approval from the campus president.

Faculty shall render service to the CSU upon return from a DIP leave at the rate of one term of service for each term of leave.

The salary for a DIP leave shall be the difference between the employee's salary and the minimum salary of the instructor (or librarian) rank. Service credit is reduced based on reduced salary paid.

CSU Retiree Dental

Under certain conditions, CSU employees are eligible to continue dental coverage into retirement. The dental coverage provided to CSU retired annuitants is at the basic plan level. Participants in FERP are the only CSU retired annuitants eligible for continued dental coverage at the enhanced level free of cost.

The CSU offers two dental plans: a preferred provider organization (PPO) plan and a dental health maintenance organization (DHMO) plan; DeltaCare USA. The CSU pays the full cost of dental coverage for all CSU retirees and their eligible dependents, including domestic partners, enrolled under the Basic Plans (Delta Dental PPO Basic and DeltaCare USA Basic). For an additional monthly fee equal to the difference in cost between the basic and enhanced coverage plans, CSU retired annuitants can enroll in the same enhanced plan they had as an CSU active employee.

Responsibility for the day-to-day dental contract administration rests with the Human Resources Administration in the CSU Chancellor's Office. The Human Resources Administration interprets regulations, answers questions, and assists retirees in resolving problems regarding the dental plan.

CalPERS is responsible for processing the annual retiree dental open enrollment requests and other change requests.

CSU Contact

The California State University
Office of the Chancellor
Human Resources Management
401 Golden Shore Drive
Long Beach, CA 90802-4210

(562) 951-4411

Pay Rate and Service Credit

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 and 20636, and California Code of Regulations (CCR) sections 570 and 570.5.

Refer to the Pensionable Compensation section of this chapter for the statutes and regulations governing pensionable compensation for new members with PEPRA membership.

Compensation (Gov. Code section 20630)

Compensation is broadly defined as the remuneration paid out of funds controlled by the employer in payment for the member's services performed during normal working hours, or for the time during which the member is excused from work because of holidays, sick leave, industrial disability leave (payable pursuant to Labor Code sections 4800 and 4850, Article 4 (commencing with section 19869) or Education Code section 44043 or 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.

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 section 20636(g)(1))

Notwithstanding, Gov. Code section 20636(a), compensation earnable for state members means the average monthly compensation, as determined by the board, upon the basis of the average time put in by members in the same group or class of employment and at the same rate of pay, and is composed of the pay rate and special compensation of the member.

Pay Rate (Gov. Code section 20636(g)(2))

Notwithstanding, Gov. Code section 20636(b), pay rate for state members means the average monthly remuneration paid in cash out of funds paid by the employer to similarly situated members of the same group or class of employment, in payment for the member's services or for time during which the member is excused from work because of holidays, sick leave, vacation, compensating time off, or leave of absence.

Group or Class of Employment (Gov. Code section 20636(e))

Group or class of employment means a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical work-related grouping. 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, except as may otherwise be determined pursuant to regulations adopted by the board that establish reasonable standards for granting exceptions.

Requirements for a Publicly Available Pay Schedule (CCR 570.5)

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.
- Does not reference another document in lieu of disclosing the pay rate.

The regulation clarifies compensation earnable will be limited to the amount listed on a pay schedule, meeting all the established criteria and identifies how pay rate may be determined if an employer fails to meet the requirements.

Special Compensation

Gov. Code section 20636(g)(3)(A-D)

Notwithstanding Gov. Code section 20636(c), the following list identifies special compensation items included for state members:

- The monetary value, as determined by the board, of living quarters, board, lodging, fuel, laundry, and other advantages of any nature furnished to a member by their employer in payment for the member's services.
- Compensation for performing normally required duties, such as holiday pay, bonuses (for duties performed on a regular work shift), educational incentive pay, maintenance and noncash payments, out-of-class pay, marksmanship pay, hazard pay, motorcycle pay, paramedic pay, emergency medical technician pay, Peace Officer Standards and Training (POST) certificate pay, and split shift differential.
- Compensation for uniforms in certain circumstances (Gov. Code section 20632).
- Other payments the board may determine to be within special compensation.

Gov. Code section 20636(g)(4)(A-L)

Pay rate and special compensation for state members do not include any of the following:

- The provision by the state employer of a medical or hospital service or care plan or insurance plan for its employees, a contribution by the employer to meet the premium or charge for that plan, or a payment into a private fund to provide health and welfare benefits for employees.
- A payment by the state employer of the employee portion of taxes imposed by the Federal Insurance Contribution Act.
- Amounts not available for payment of salaries applied by the employer for the purchase of annuity contracts including those that meet the requirements of section 403(b) of Title 26 of the United States Government Code.
- Employer payments credited as employee contributions for benefits provided by CalPERS.
- Employer payments credited to employee accounts in deferred compensation plans.
- Payments for unused vacation, annual leave, personal leave, sick leave, or compensated time off.
- Final settlement pay.
- Payments for overtime, including pay in lieu of vacation or holiday.
- Compensation for additional services outside regular duties, such as standby pay, callback pay, court duty, allowance for automobiles, and bonuses for duties performed after the member's regular work shift.
- Payments applied for the purchase of a retirement plan or money purchase pension plan.

- Payments to be covered by a flexible benefits program, where those payments reflect amounts that exceed the salary.
- Other payments the board may determine are not pay rate or special compensation.

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 PEPRA 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):

- 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.
- Paid in cash to similarly situated members of the same group or class of employment.
- Paid for services rendered on a full-time basis during normal working hours.
- Paid pursuant to publicly available pay schedules.

CCR section 571.1(b) provides an exclusive list and defines the forms of pay the board has determined to 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.

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 for miscellaneous members (reportable for safety members only)

Pensionable compensation further excludes payments for unused leave credits, any payment for services rendered outside of normal working hours, employer-provided allowances or reimbursements, overtime payments outside of the United States Labor Code Title 29, section 207(k), employer-paid deferred compensation, any bonus, or any other payment as determined by the board.

Additionally, any form of identified compensation agreed to be non-pensionable pursuant to a memorandum of understanding (MOU) shall be excluded from pensionable compensation. The state employer shall inform CalPERS of the excluded compensation and provide a copy of the MOU.

State employers may determine if excluded compensation identified in the statute shall apply to non-represented state employees who are aligned with state employees subject to the MOU described above. State employers shall inform CalPERS of the exclusion of this compensation and provide a copy of the public pay schedule detailing the exclusion.

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.

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 in myCalPERS 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 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 General 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 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. 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.

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.

Public Employees' Pension Reform Act (PEPRA) of 2013 – Employer Paid Member Contributions

PEPRA prohibits employer paid member contributions (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.

Legislative or Judicial Branch Employees

For questions regarding compensation for exempt, legislative, or judicial employees, call CalPERS at (916) 795-3688.

Service Credit

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 stable throughout the fiscal year except for pay raises, demotions, changes in position, etc. If a member works in more than one position, receives a raise in the middle of an earned period, or has a variable pay rate, report amounts earned under each pay rate separately.

- **Hourly** pay rate – The amount of compensation to which both a full- and part-time employee is entitled under an employment agreement which provides for compensation for each hour of regular time worked by the employee.
- **Daily** pay rate – The amount of compensation to which both a full- and part-time employee is entitled when the employee's services are performed under an employment agreement which provides for a daily rate of compensation.

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

Impact on Final Benefits

Reporting correct pay rates for your active employees 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 directly related to the pay rate and earnings reported for the member. Service credit is derived from the pay rate and earnings reported to CalPERS .

Full-Time Service Credit (Gov. Code section 20962(a))

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

1. One academic year of service for persons employed on an academic year basis by the University of California, the CSU system, or school employees who are certificated members, under terms and conditions prescribed by the board.
2. Ten (10) months of service for persons employed on a monthly basis.
3. Two hundred fifteen (215) days of service after June 30, 1951, and 250 days prior to July 1, 1951, for persons employed on a daily basis.
4. One thousand seven hundred twenty (1,720) hours of service after June 30, 1951, and 2,000 hours prior to July 1, 1951, for persons employed on an hourly basis.
5. Nine months of service for state employees represented by Bargaining Unit 3 and subject to the 9-12 pay plan or leave plan, provided an MOU has been agreed to by the state employer and the recognized employee organization to become subject to this subdivision. A fractional year of credit shall be given for service rendered in a fiscal year in full-time employment for less than the time prescribed in this section.

Partial credit will be given for those working less than the full-time markers described previously (10 months, 215 days, and 1,720 hours). Service credited in hours, days, or months is converted to a percentage of a year at the end of each fiscal year. Service credit for each fiscal year is combined to arrive at total service credit.

Service Credit Accrual Examples

Earnings divided by pay rate equals service credit.

Monthly Earnings **Pay Rate Type**	**$XXX** **$XX.XX**	=	**Service Credit**
Monthly Earnings **Monthly** Pay Rate	$1200 $1200	=	1 month worked divided by 10 = 0.100 years of service credit
Monthly Earnings **Monthly** Pay Rate	$600 $1200	=	0.5 months worked divided by 10 = 0.050 years of service credit
Monthly Earnings **Hourly** Pay Rate	$600 $7.50	=	80 hours worked divided by 1720 = 0.047 years of service credit
Monthly Earnings **Daily** Pay Rate	$600 $30.00	=	20 days worked divided by 215 = 0.093 years of service credit

Note: Always use the pay rate featured on a publicly available pay schedule. The pay rate should not change except when a pay raise or a change in position occurs.

Maximum Service Credit Amount

As one of the major factors used in the retirement calculation, service credit is checked carefully for each payroll entry. CalPERS limits the amount of service credit for each entry to full time. Credit for more than one year of service shall not be allowed for service rendered in any fiscal year.

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 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 (CCR 582 and Gov. Code section 21490).

Any of the following life events will revoke the Pre-Retirement Lump Sum Beneficiary Designation (myCalPERS 0772)

(Gov. Code section 21492):

1. Marriage/Registration of domestic partnership
2. Dissolution or annulment of marriage or termination of a 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).
3. Birth or adoption of a child
4. 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 has been filed. Members may designate or change beneficiaries at any time through their online account at myCalPERS.ca.gov or filing a new Pre-Retirement Lump-Sum Beneficiary Designation (Gov. Code sections 21492 and 21493).

Special Instructions

- Changes on the form are not accepted unless specified on the instructions page.
- The member should complete the Pre-Retirement Lump Sum Beneficiary Designation, make a copy for their records, and then mail 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 about 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.

Also, the member can check a box on section 5 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's 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 in one's own behalf may become impaired thereby jeopardizing later desired retirement action.

If a person has the capacity to complete the CalPERS 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, 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 which must be satisfied, and how best to expedite the filing process.

Note: For CalPERS to carry out the desired retirement action, e.g., provide an allowance to the beneficiary, it is imperative the member be alive on the effective date of retirement and an 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 You CalPERS Special Power of Attorney (PUB 30), visit our Forms & Publications page on our website at www.calpers.ca.gov.

Death of an Active Member

Employer Notification to CalPERS

Immediately upon learning of an employee's death, the employer should contact CalPERS 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 - Request for Payroll Information (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 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 date of death, or the day after death.
2. Reason for Separation – If separation is not due to death, provide 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, and 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 and Dental Insurance

Complete only if the member had health and/or dental insurance coverage under the Public Employees' Medical and Hospital Care Act. A request for change in health benefits coverage based upon 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 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 to the employer. The employer completes the form per instructions found on page 2 of the form.

Continuation of Health Benefits

AB-1639 (Gov. Code section 19849.15) Overview ***(Does Not Apply to CSU Employees)***

Assembly Bill 1639 was passed into law on October 10, 1999, for survivors of State members. This bill was created to prevent the lapse of health coverage between the member's death and the determination of the survivors' health benefits eligibility and monthly allowance. The deceased member's employer must pay the total amount of the premiums for 120 days for eligible survivors; however, the employer may elect to bill survivors for the survivors' share of the premiums.

Procedures

1. Employer reports the member's death to CalPERS.
2. Employer completes a Direct Payment Authorization (CalPERS-2608) (PDF) form using the survivors' (i.e., spouse or domestic partner; if no spouse or domestic partner, use the information of the youngest survivor) social security number and demographic information.
3. Employer enters the Direct Pay enrollment for health benefits only in myCalPERS.
4. Employer sends the completed HBD-21 and 120-day premium check directly to the health plan carrier.
5. Employer bills the spouse or other eligible family member(s) for the employee's share of the cost.
6. Employer completes the same steps for dental and vision benefits.

CalPERS-2608 Instructions for AB 1639

Employers must complete and submit the following sections of the HBD-21 to the survivor's health plan for enrollment.

Part A - Employee Information

1. Survivor's Social Security number
2. Survivor's full name
3. Survivor's home phone number
4. Survivor's home address

Part B - Carrier and Premium

5a. Survivor's health plan's name and address

5b. Health plan 4-digit code, e.g., Kaiser 0562

6a. Gross premium for 120 days of health coverage (4 months)

6b. Do not complete

6c. Do not complete

6d. No signature required

6e. No date required

Part C - Reason for Direct Pay

Always use box 14 (other) and write in the explanation box *AB 1639 survivor coverage for 120 days*. Leave all other boxes blank.

Part D - Agency Information

15a. Name, address and contact number of the deceased member's employer

15b. Do not complete

16. Start and end dates of the survivor coverage under AB 1639 (4-month period beginning the first of the month following the member's death and ending the last day of the 4-month coverage)

17. Do not complete

18. Health Benefit Officer's signature

19. Date the HBD-21 was completed

20. Employer's telephone number

Information for Family of Deceased

When CalPERS is notified of an active employee's death, a condolence 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) is sent to the next of kin. The booklet explains the benefits which 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 monthly or lump sum benefit, an election letter will be mailed out at a later time. 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 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:

I. 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)

II. 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.

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 myCalPERS 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.

- Members may log into 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. myCalPERS can save multiple estimates based on different retirement dates and beneficiary scenarios.
- 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.
- 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 CalPERS at **888 CalPERS** (or **888**-225-7377) and have the form mailed to them.
    - A retirement estimate letter will be provided 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.

Note: 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 Your CalPERS Benefits: Planning Your Service Retirement (PUB 1) (PDF, 1.11 MB) and the Welcome to CalPERS: A Benefits Guide for State Members (PUB 4). These publications provide additional benefits to consider in preparing for retirement.

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 area on our website www.calpers.ca.gov 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 from their myCalPERS account 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 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 state service. The earliest retirement date is the day following the last day on payroll. If the retirement date can be no earlier than the first of the month in which CalPERS receives the application (Gov. Code section 21252(a)).

In the case of an application for retirement filed with the Board more than nine months after discontinuance of the member's state service, the effective date shall be the first of the month in which the member's application was received at an office of the board or by an employee of CalPERS designated by the board (Gov. Code section 21252).

Additional Notes for Submitting Forms

If the application is submitted by fax 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 for Retirement?

Service Retirement

A First-Tier state member who has reached age 50 and has earned at least five years of credited service may submit an application for service retirement (Gov. Code section 21060). A State Miscellaneous and Industrial member with a membership date on or after January 1, 2013, must be age 52 (Gov. Code section 7522.20). Members may be eligible to retire at age 50 if they have a combination of classic and PEPRA service. A Second-Tier member who has reached age 55 and has earned at least 10 years of credited service may submit an application for retirement (Gov. Code sections 21074 and 21093(a)).

The application must be submitted by the member and show a definite retirement date. 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 for First Tier or ten years for Second Tier may be eligible to retire with less than five or ten 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, 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 canceled, 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.

A Guide to Your CalPERS Service Credit Purchase Options (PUB 12) (PDF 1.52 MB) can be downloaded from the CalPERS website at www.calpers.ca.gov or requested by employers from the CalPERS Central Supply Section by submitting an email request to: Public_Agency_Requests@calpers.ca.gov

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, contact CalPERS at **888 CalPERS** (or **888**-225-7377) or visit the CalPERS website at www.calpers.ca.gov.

Final Compensation

The final compensation in the calculation of a state employee's retirement benefit is the highest average annual compensation earnable for either 12 or 36 consecutive months, depending on the employee's membership date and employer's contract. California Code of Regulations (CCR) 579.24(b) states that if a member has a combination of classic and PEPRA service, two separate final compensation periods will be used with service credit earned under each classification.

Legislation and labor contracts provide retirement contribution increases for employees in certain bargaining units, and changes to the retirement benefits and final compensation period for new employees who have no prior State employment.

It is essential to pay particular attention to the date the employee was first hired by the state and their bargaining unit or affiliation to ensure contributions paid into CalPERS are correct. Failure to properly report your employees impacts the timeliness and accuracy of benefits paid and could result in a financial hardship for your employees when errors are ultimately discovered and corrected as required by law.

Any questions about bargaining unit agreements should be directed to the California Department of Human Resources (CalHR). Additional information can be found on their website at www.calhr.ca.gov under Policy Memos.

For more information, refer to the 2026 Edition California Public Employees' Retirement Law (PERL) (PDF, 12.50 MB), Gov. Code sections 20037–20037.15.

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 re-apply whenever the member is ready to retire.

- 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.

- 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, 2.40 MB).

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 under First Tier or ten years under Second Tier. Minimum retirement age is 50 for First Tier retirement plan (Gov. Code section 21060(a)). State Miscellaneous and Industrial members with a membership date on or after January 1, 2013, must be age 52 (Gov. Code section 7522.20). Members may be eligible to retire at age 50 if they have a combination of classic and PEPRA service. The minimum retirement age is 55 for the Second Tier retirement plan (Gov. Code sections 21076, 21076.5, and 21093). A member with credited service under both First Tier and Second Tier should contact CalPERS for exceptions to the Second-Tier minimum age and service requirement.

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. CalPERS Service Retirement Election Application (CalPERS-1206) (PDF) is received by CalPERS from the member. Note that 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, they must complete and submit a Justification for Absence of Spouse's or Registered Domestic Partner's Signature (CalPERS-3428) (PDF) (Gov. Code section 21261).
   The application package includes information regarding required marriage and birth date evidence (Gov. Code section 20128). Do not submit any original certificates. Send only photocopies of important documents; 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 in the election application form or submit a separate Direct Deposit Authorization (CalPERS-1288) (PDF) form at a later date (Gov. Code section 21269).

2. Sick Leave/Education Leave

Employers must certify the separation information by submitting it and any updates online using myCalPERS (CCR section 565.1 (a)). Separation information includes the employee's permanent separation date and any unused sick leave or educational leave balances. If the information is submitted prior to CalPERS processing the member 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

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.

To receive sick leave credit or educational leave credit, the member's retirement date must be within 120 days from the date of separation from the employer granting the sick leave or educational leave. Educational leave shall ONLY apply to eligible state members in bargaining units that have agreed to the benefit in a memorandum of understanding through collective bargaining (Gov. Code sections 20963 and 20963.1).

Note: Sick leave/educational leave information must be reported in 8-hour days only. Employers can take whatever in-house procedures they desire to ensure appropriate sick leave/educational leave days are reported. For instance, the employee's sick leave/educational leave can be taken off the books the day the certification is completed.

For state members, the Personnel Information Management System (PIMS) is still used to report credit for unused sick leave/educational leave. If your agency needs to correct the reported amounts, you should correct the permanent separation event on the appointment in myCalPERS which will allow you to update the sick leave/educational leave amounts to the correct number and the member's account will be adjusted.

Conversion of Sick Leave/Educational Leave Credits for Employees Working Eight Hours per day

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/educational leave 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 section 20963.5). Example: 35 days X .004 equals .140 years of service credit.

Note: The accrual of sick leave/educational 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/educational leave policy may not be credited on an individual basis for the purposes of enhancing the retirement benefit. Unused sick leave/educational leave for which a member receives compensation, (sick leave/educational leave cash out) should not be reported to CalPERS for purposes of enhancing the retirement benefit (Gov. Code sections 20963.5 and 20963.1).

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-1015) (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. **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. The member should keep these letters along with other CalPERS documents and review the information immediately to ensure it is correct.

   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. **Account Detail Information Sheet** is attached to the myCalPERS 0924, which explains the data used to calculate the member's retirement allowance.

   Note: 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.

6. **First Acknowledgment Letter for Employers 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.
   Note: 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 Post-Retirement Employment and Reinstatement From Retirement sections in this guide.

Deductions After Retirement

Health Insurance (CCR section 559.501 (d) (e))

Health eligibility continues for a retiree of the CalPERS Health Program under the following conditions:

- The retiree was eligible for CalPERS health enrollment upon permanent separation of employment.
- The retiree receives a monthly retirement allowance from CalPERS; and
- The effective date of retirement is within no more than one full pay period following the effective date of permanent separation of employment.

If the retiree meets all the above conditions but the effective date of retirement is greater than one full pay period up to 120 calendar days following the effective date of permanent separation, the retiree must submit a request to CalPERS for enrollment. The effective date of coverage will be the first of the month following the date the request is received by CalPERS.

Note: If the retirement effective date is greater than 120 calendar days following the effective date of permanent separation, the retiree will not be eligible to elect enrollment in the CalPERS Health Program.

For further information on health insurance benefits, refer to the State 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).

Dental Insurance (CCR section 559.501 (d) (e))

A member must be enrolled in or eligible for a state dental plan on their date of separation from employment and retire within 120 days of separation. For questions on eligibility, refer to the CalHR Benefits Manual.

CalPERS sends a Notice of Placement on Retirement Roll (myCalPERS 0926) to notify you when a member is placed on the retirement roll.

A Dental Plan Enrollment Authorization (STD-692) (PDF) must be completed and sent to CalPERS to enroll a member in retired coverage. It is not necessary to have the member's signature on the form; it can be signed as an "Administrative Doc." The STD-692 needs to be completed using the retired plan codes, not active. List in the Remarks Section, the member's separation date and retirement effective date.

Vision Care (CCR section 559.501 (d) (e))

The state-sponsored vision plan is available to state annuitants. A member must be eligible for the vision care plan on the date of separation from employment and must retire within 120 days of separation. For

additional information contact your personnel office or the California Department of Human Resources at (916) 322-0300.

Note: Most deductions will stop at retirement and will need to be re-established (except for health, dental, and some union memberships).

Direct Authorizations (Gov. Code sections 21264 and 21265)

Direct authorization deductions for union dues, life insurance, credit union payments or shares, or charitable organizations may be established provided that:

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; and
4. 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 form (myCalPERS 1289 (PDF)). 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 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 about 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 who are retiring on a 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 or Industrial Disability Retirement

Members can go online to access A Guide to Completing Your CalPERS 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 industrial disability retirement.

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 for First Tier and at least 10 years of service credit if Second Tier. 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 for First Tier or ten years for Second Tier may be eligible to retire with less than 5 or 10 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

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).

Public Employees' Pension Reform Act (PEPRA) 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. These provisions remain in effect only until January 1, 2023, after which the new industrial disability retirement provisions will not apply unless the date is extended by statute.

A safety member who retires on or after January 1, 2013, for industrial disability shall receive an industrial 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 to non-safety service.
- 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)

When to Apply

The application for disability retirement shall be made only (Gov. Code section 21154):

- While a member is in state 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 state service of the member, or while on an approved leave of absence, or
- While the member is physically or mentally incapacitated to perform their duties from the date of discontinuance of state service to the time of application or motion.

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, the member or someone on the member's behalf, should submit an application for disability retirement. 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. Refer to the beginning of this chapter for more information (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 any person on behalf of the member. "Duly authorized official" referred to above, 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 a member unless the member waives the right to retire for disability and elects to either withdraw their contributions or leave them on deposit 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, or 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). 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 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.

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.

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 member's 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 form as soon as information is available.

- A completed Physical Requirements of Position/Occupational Title (CalPERS-0700) (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.

All the required forms needed are included in A Guide to Completing Your CalPERS Disability Retirement Election Application (PUB 35) (PDF). The member should read the entire publication prior to completing any forms so the information submitted is complete and accurate. This will assist CalPERS in making a determination in a timely manner.

Note: It is the member's responsibility to follow up with the employer, workers' compensation carrier, and treating physician(s) to ensure the requested information is submitted to CalPERS. If the required information is not received within **21 calendar days** of application submission, the application will be canceled.

Application — When the member submits the **Disability Retirement Election Application** (CalPERS-1200), the following sections must be completed:

- Sections 1 – 14: Completed by the member or by someone on the member's behalf.
- Section 2: Member does not need to designate a retirement date to begin the process unless requesting service pending disability or industrial disability retirement.
- Section 5: Member must select an option, and to make an informed decision, they must first request an estimate.
- Section 14: Member's signature must be witnessed by a CalPERS representative or be notarized.

Determination – Employers must forward all relevant personnel documents and medical records 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 in the determination. 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).

If the member is found to be disabled due to a mental disorder, a valid Power of Attorney may be required before benefits are payable. For Power of Attorney instructions, refer to the booklet A Guide to CalPERS Power of Attorney (PUB 30) (PDF).

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 discontinuance of employment and in the case of retirement for disability, and if the member was physically or mentally incapacitated to perform their duties from the date of discontinuance of employment to the time of written application for retirement, the effective date of retirement will be the day following the last day of payroll.

In the case of an application for retirement filed with the Board of Administration more than nine months after discontinuance of the member's state service, the effective date shall be the first of the month in which the application was received (Gov. Code section 21252).

If a member has been approved for disability retirement, the law states the member must be retired immediately. The member may remain on pay status to use sick leave and/or compensating time off for overtime to which the member is entitled. The determination of what sick leave and/or compensating time off that a person is entitled to 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, the member will be notified 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 approval), the member may be retired for service (Gov. Code section 21156 (a) (b)).
- The member may elect to separate from employment and accept a refund of accumulated contributions in lieu of all future rights and benefits through CalPERS (Gov. Code section 21172).
- The member may appeal the approval determination directly to CalPERS.

When the member has been found to be not disabled and the application is denied, the member will be notified of the finding and provided the opportunity to appeal the decision (CCR sections 555 and 555.1-555.4).

Note: Appeals must be submitted in writing to CalPERS within 30 days from the date of the notification letter.

Appeals may be mailed to:
CalPERS
PO Box 2796
Sacramento, CA 95812-2796

CalPERS is subject to the Administrative Procedures Act (APA). Therefore, 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.

Temporary Disability Allowance (TDA)

An employer is required to pay the employee a Temporary Disability Allowance (TDA), provided all the following conditions have been met:

- The employee has exhausted their leave credits; and
- The employee is placed on involuntary leave status; and
- The employer is applying for disability or industrial disability retirement on the employee's behalf.

To determine the amount of the TDA, submit an Employer Originated Disability Allowance Estimate Request (CalPERS-1423) (PDF). The request should be completed in full and mailed or faxed to:

CalPERS
Retirement Benefit Services Division
PO Box 94271
Sacramento, CA 94229-2715

Fax: (916) 795-0701

The request form must include the last day on pay status. The recommended retirement date to use on the application is the first of the month the application will be sent to CalPERS.

You may provide the employee's beneficiary information to receive an estimate that includes all retirement payment options available to the employee. If you do not provide the employee's beneficiary information, CalPERS will only include the Unmodified Allowance and Return of Remaining Contributions Option 1 on the estimate.

If the disability retirement is approved, CalPERS will reimburse the employer the amount of TDA that was paid to the member from the retroactive portion of the retirement allowance. If the amount of TDA exceeds the retroactive amount, the employer will be reimbursed from the member's monthly retirement allowance at the rate of 10% until the reimbursement is satisfied. If the disability retirement is denied, the employer is responsible for paying the member the difference between the TDA and the employee's salary. The member also receives leave credits for the time they were on TDA.

For additional information regarding TDA, refer to CalHR's Personnel Management Liaison (PML) memo 2002-005 (PDF).

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:

- Member's years of service
- The benefit factor (1.8% for State Second Tier or 1.125% for State Second Tier)
- The final compensation — based on the highest average annual compensation earnable during any 12 or 36 consecutive months of pay rate, not earnings, (usually the last 12 or 36 months of employment) depending on the employee's membership date and employer's agreement with

CalPERS. Refer to the Final Compensation topic in this section for information about whether to use 12-month or 36-month compensation.

Find the benefit factor and years of service credit in the following groupings. Follow the instructions listed and fill in the worksheet on the following page.

State First Tier

A state First Tier 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 **five and 10 years, or 18½ years or more** 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 18½ 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 33⅓%.) (Gov. Code section 21423).

Then

Multiply the percentage of final compensation by the highest average annual compensation earnable during any 12 or 36 consecutive months to find the Unmodified Allowance. (If the member is eligible for service retirement, the member will receive the higher allowance payable, service or disability).

State Second Tier

A state Second Tier member must have **at least 10 years** of service credit to be eligible for disability retirement.

If the member has between 10 and 29.629½ years of service credit, add to that figure the number of years until the member will be age 65 and multiply the **total** by 1.125% to determine the percentage of final compensation. (The maximum percentage allowable is 33 ⅓ %)

Figuring the Disability Allowance

Years of Service

X

Benefit Factor

=

% of Final Compensation

Next

% of Final Compensation

X

Final Compensation

=

Unmodified Allowance (pension)

If the member has 29.629 years or more of service credit, multiply the years of service by 1.125% to determine the percentage of final compensation (Gov. Code section 21424).

Then

Multiply the percentage of final compensation by the highest average annual compensation earnable during any 12 or 36 consecutive months to find the Unmodified Allowance. (If the member is eligible for service retirement, the member will receive the higher allowance payable, service or disability).

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 and 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

A cancellation is binding; the member must thereafter reapply whenever they are ready to retire. If the disability retirement has been approved, refer to the Member Alternatives Following Disability Determination section for more information.

Subrogation

Under the law, if someone other than the employer caused an injury that results in disability retirement benefits being paid to the member, 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.

Sick Leave/Education Leave

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 or educational leave balances. If the information is submitted prior to CalPERS processing the member 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.

It is imperative that you report a permanent separation when an employee retires or otherwise ends employment with your agency, regardless of the reason. 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.

To receive sick leave credit or educational leave credit, the member's retirement date must be within 120 days from the date of separation from the employer granting the sick leave or educational leave. Educational leave shall ONLY apply to eligible State members in bargaining units that have agreed to the benefit in a memorandum of understanding through collective bargaining.

Note: Sick leave/educational leave information must be reported in 8-hour days only. Employers can take whatever in-house procedures they desire to ensure appropriate sick leave/educational leave days are reported. For instance, the employee's sick leave/educational leave can be taken off the books the day the certification is completed.

The Personnel Information Management System (PIMS) is still used to report credit for unused sick leave/educational leave. If your agency needs to correct the reported amounts, you should correct the permanent separation event on the appointment in myCalPERS which will allow you to update the sick leave/educational leave amounts to the correct number and the member's account will be adjusted.

Conversion of Sick Leave/Educational Leave Credits for Employees Working Eight Hours per day

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/educational leave 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. Example: 35 days X .004 equals .140 years of service credit.

Note: The accrual of sick leave/educational leave credits must be consistent for members of the same group or class who work like or similar hours. Service credit, which was not earned through the "accrual of sick leave/educational leave" policy, may not be credited on an individual basis for the purposes of enhancing the retirement benefit. Unused sick leave/educational leave for which a member receives compensation, (sick leave/educational leave cash out) should not be reported to CalPERS for purposes of enhancing the retirement benefit.

Instructions for Completion of the BSD-194

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 (BSD-194) (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 last day on pay status, if any.

Note: In the integrated myCalPERS system, 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 the 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 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 mail the PERS-BSD-194 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 submission of this form awaiting final payroll data. Estimate the last period's payroll information and label this line "Estimate."

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
- Circular Letter 200-038-15 (PDF) – Assembly Bill 1522 Healthy Workplaces, Healthy Families Act of 2014, AB 304 and Retired Annuitants
- Circular Letter 200-048-18 (PDF) – Enrolling and Reporting Retired Members
- Circular Letter 200-053-16 (PDF) – Requirements for Working After Disability Retirement for a CalPERS Employer
- Circular Letter 200-054-19 (PDF) – Assembly Bill 672, Chapter 98 – Working After Disability/Industrial Disability Retirement
- Retired Annuitant Hiring Questionnaire (CalPERS-6966) (PDF)

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, 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, 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.

Retired annuitant appointments for vacant/interim positions are not available for state departments pursuant to Gov. Code 21221(h).

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 state agency employer:

A. A 60-calendar day bona fide separation in service requirement if younger than normal retirement age on retirement date.
B. 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 state miscellaneous member retired June 30, 2012, at age 52. Their retirement benefit formula is 2% at 55. Because they have not reached normal retirement age of 55, they must have a bona fide separation in service.

Example 2: A state 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).
- **FERP Participation:** The retiree is eligible to participate in the Faculty Early Retirement Program (FERP) pursuant to a collective bargaining agreement with the California State University (CSU) that existed prior to January 1, 2013, or has been included in subsequent agreements.

CalHR Certification for State Agencies

The state employer certifies the nature of the employment, and the appointment is necessary to fill a critically needed state employment position before 180 days have passed and the appointment has been approved by CalHR. CalHR will forward the approval to CalPERS (Gov. Code section 7522.56).

Refer to the CalHR Online Human Resource Manual for more information.

State Agency Employees Not Subject to CalHR Approval

The following state agencies must secure a 180-day wait period exception for their retirees as follows:

- **Legislative Employees Resolution-Certification:** For legislative employees, the Senate Committee on Rules or the Assembly Rules Committee certifies the nature of the employment and the appointment is necessary to fill a critically needed position before 180 days have passed. The appointment must be approved in a public meeting and may not be placed on a consent calendar.
- **Court Employees Resolution Certification:** For court employees, the Judicial Council of California certifies the nature of the employment and ensures the appointment is necessary to fill a critically needed position before 180 days have passed. The appointment must be approved in a public meeting and may not be placed on a consent calendar. No court division other than the Judicial Council of California can approve the 180-day wait period exception.
- **California State University (CSU) Employees Resolution Certification:** For CSU employees, the Trustees of the CSU certify the nature of the employment and ensures the appointment is necessary to fill a critically needed position before 180 days have passed. The appointment must be approved in a public meeting and the resolution may not be placed on a consent calendar.

Sample 180-Day Exceptions Resolutions for Legislative, Court, and CSU Retirees Only

To secure a 180-day wait period exception, the legislative, court, or CSU employer may submit the resolution certification package (refer to submission instructions and links to sample resolutions in the following paragraphs) 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 a retired annuitant position or in a permanent position with certain restrictions. A retired annuitant position does not require CalPERS written pre-approval. 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. 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 civil service, exempt from membership, TAU, or any other temporary position even if it is on an interim basis. Retired annuitant appointments pursuant to Gov. Code section 21221(h) for vacant/interim positions are not available for state departments.
- **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, and shift differentials, 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 pay 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)).

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 into 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 by 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 Persons Excluded by Retirement Law From CalPERS Membership , Independent Contractors 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 Persons Excluded by Law From CalPERS Membership, 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 under Gov. Code 21432. 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 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 under Gov. Code section 21432. 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 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

Note: State Employer Civil Service Eligibility is a requirement for employment with a state agency employer.

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.

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 chapter 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** (or **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, unused sick leave, 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 the 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 resource 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, to undergo a medical examination for the approved disabling condition(s) (Gov. Code sections 21192 and 21193).

A state disability 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 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 (PERS-01M0036DMC) (PDF) found in the A Guide to Your CalPERS Reinstatement From Retirement (PUB 37) (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 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 with the same employer from which they retired, 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.
    - A statement as to whether the retiree is presently capable of performing all tasks involved for their retired 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 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 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).

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 What You Need to Know About 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 Registration of Domestic Partnership of the retiree (Gov. Code section 21492)
- Legal separation, dissolution or annulment of the retiree's marriage or termination of the retiree's domestic partnership, 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 one of the first above events occur, a retiree'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 retiree's spouse/registered domestic partner, or if none.
2. To the retiree's natural or adopted children, share, and share alike, or if none.
3. To the retiree's parents, share and share alike, or if none.
4. To the retiree's brothers and sisters, share and share alike, or if none.

5. To the retiree'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 surviving next of kin in the order prescribed by law.

A retiree may login to their myCalPERS account to designate a new lump sum beneficiary at any time or by obtaining a What You Need to Know About Changing Your Beneficiary or Monthly Benefit After Retirement (PUB 98) (PDF), which includes a Post Retirement Lump Sum Beneficiary Designation (PERS-BSD-509-P) (PDF) and returning the completed form to:

CalPERS
PO Box 942715
Sacramento, CA 94229-2715

The publication is available through the Forms & Publications webpage

If the retired member wants their statutory beneficiary(ies) to receive the lump sum benefits payable, there is no need to file a PERS-BSD-509P. However, filing PERS-BSD-509P may help us locate the person(s) upon the retiree's death.

The PERS-BSD-509P revised 02/2019 now includes section 5, Spousal Consent to Beneficiary Designation. The spouse or registered domestic partner should sign this consent if they consent to each of the retiree's beneficiary designations after reviewing this section.

If the spouse or domestic partner is not named as the sole beneficiary or the retiree does not certify they have no spouse/partner, and the document does not include the spouse's or partner's signature, a Justification for Absence of Spouse's or Registered Domestic Partner's Signature (PERS-BSD-800A) (PDF) must be completed and submitted with their designation.

Note: A retiree's designation and benefit entitlement to any lump sum death benefit may be affected by a community property interest in the retiree's CalPERS retirement account.

For an explanation of the limited situations under which a retiree may change their optional settlement and/or life 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 CalPERS website at www.calpers.ca.gov.

A survivor or beneficiary who is receiving an allowance following the death of the retiree may designate a beneficiary to receive any unpaid allowance by completing 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, refer to 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 retiree 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 the completed election document. Both the retiree and their new beneficiary must be alive on the effective date.

If the retiree 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 retiree and their new beneficiary must be alive on the deferred election effective date.

Insurance Coverage for a New Spouse/Registered Domestic Partner (Gov. Code section 22830)

When a retiree considers a modification of retirement option, they need to remember that continuation of health or dental insurance coverage of a new spouse/domestic partner depends on their being enrolled as

a dependent on the retiree's plan at the time of the retiree's death and whether the retiree made an election of option that provides the new spouse/domestic partner with a monthly benefit.

If a retiree 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 retiree'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 of Separation for Death form myCalPERS 0697 **should not** be submitted for a retiree's death.

Information for Family of Deceased

When a CalPERS retiree dies, there are several important steps a spouse/domestic partner or family member can take to help ensure prompt payment of any benefits payable by CalPERS.

The **first** step is to notify CalPERS 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 number or CalPERS ID 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 or registered domestic partner if available.
- Date of birth of surviving spouse or registered domestic partner if available.
- Date of marriage or 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 which 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 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 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 (PEMCHA), as administered by CalPERS, the enrollment shall be continuous (CCR section 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/domestic partner the payments do not need to be returned.

Completing the Tax Withholding Election for Death 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 adjustment 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 it 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 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 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 (myCalPERS 1192) form with the appropriate box checked.

Tax & Income Reporting Information

Statement of Benefits Paid & 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 are 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 myCalPERS account at my.calpers.ca.gov or complete another Federal Tax Withholding Election W-4P (myCalPERS 1289) (PDF) form and submit it to CalPERS. This form can be viewed 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 public 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) or the Mandatory Refund Election Form With Required Minimum Distribution (myCalPERS 2201) (PDF), for required minimum distributions, along with the Refund Direct Deposit Authorization (myCalPERS 1362) (PDF) if needed, and send 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 a 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** (or **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 section 415(b) (IRC 415) 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 purposes 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 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 I.R.C. § 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, 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.

CalPERS 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.

Employees have access to their real-time account information. They can access the information submitted on their behalf by their employers, including appointments, 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 future concerns or questions members may have with their CalPERS account and the information provided by your agency.

System Access Administrators

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 to each contact and assign them their 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 the System Access Administrators webpage.

CalPERS Website

The CalPERS website provides instant access to general CalPERS information for members, employers, and the public.

The CalPERS website highlights information about CalPERS retirement plans, health benefit programs, and pension fund investments. Agencies refer to the comprehensive Employer section to find the following information:

- Actuarial Information
- 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, administrators, etc., and other interested parties can all benefit from this service by receiving CalPERS Employer Bulletins directly in their email box as soon as news is released. Each CalPERS Employer Bulletin comes in a plain text format for easy viewing 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.

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. You can search by date or keyword 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 box.

Member Education Bulletins provide 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 your myCalPERS business partner account or the CalPERS website.

Ordering via myCalPERS

You can order Forms & Publications via your myCalPERS business partner account home page 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) webpage to find the latest PERL published by Lexis-Nexis annually. If you need assistance, call the CalPERS Customer Contact Center **888 CalPERS** (or **888**-225-7377).

List of CalPERS Member Publications

The following publications will help you convey CalPERS benefit information to your employees. All publications are available on our Forms & Publications webpage.

- A Guide to CalPERS Community Property (PUB 38A) (PDF, 2.40 MB)
- A Guide to CalPERS Employment After Retirement (PUB 33) (PDF)
- A Guide to CalPERS Special Power of Attorney (PUB 30) (PDF)
- A Guide to CalPERS When You Change Retirement Systems (PUB 16) (PDF)
- A Guide to Completing Your CalPERS Disability Retirement Election Application (PUB 35) (PDF)
- A Guide to Completing Your CalPERS Service Retirement Application (PUB 43) (PDF, 2.92 MB)
- A Guide to Completing Your Nonmember CalPERS Service Retirement Application (PUB 44) (PDF, 1.29 MB)
- A Guide to Your CalPERS Military Service Credit Options (PUB 15) (PDF)
- A Guide to Your CalPERS Reinstatement From Retirement (PUB 37) (PDF)
- A Guide to Your CalPERS Retired Member Death Benefits (PUB 31) (PDF)
- A Guide to Your CalPERS Service Credit Purchase Options (PUB 12) (PDF, 1.52 MB)
- A Guide to Your CalPERS Temporary Annuity (PUB 13) (PDF)
- CalPERS Model Domestic Relations Orders (PUB 38B) (PDF)
- State Miscellaneous & Industrial Members Second Tier Benefit Election Package (PUB 52) (PDF)
- Welcome to CalPERS: A Benefits Guide for State Members (PUB 4)
- What You Need to Know About Your CalPERS National Guard Benefits (PUB 11) (PDF)
- Your CalPERS Benefits: Planning Your Service Retirement (PUB 1) (PDF, 1.11 MB)
- What You Need to Know About 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 viewing 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 Business Rules classes before 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 membership, retirement benefits, reporting responsibilities, and resources.

Advanced Membership (1.5 hours)

For an in-depth look at the laws and rules associated with membership. CalPERS offers advanced virtual and in-person classes. It is recommended the Business Rules class for state agencies be taken prior to enrolling in the advanced classes.

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.

Business Rules for California State Universities (CSU) (3 hours)

This class provides an overview of CalPERS membership criteria and CSU-related topics. Topics covered in this class include membership qualifications, agreements with other public retirement systems, criteria for

working after retirement, retirement benefits, employer reporting responsibilities, and additional CalPERS programs.

Business Rules: Health for State (2.5 hours)

The Health Business Rules Training class will help you learn about the State Health Benefits Guide (PDF), health benefits officer (HBO) responsibilities and provide employer-specific health business rules education on health plan options, eligibility and enrollment requirements and health benefits into retirement.

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 employers who need additional assistance. Email our employer educators at calpers_employer_communications@calpers.ca.gov for more information.

Training Dates and Locations

Schedule details and registration tools are available in your myCalPERS business partner 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 view the self-paced online classes, log in to your myCalPERS business partner account and enroll under the **Education** tab.

You may enroll yourself, or you may enroll your employees by following these steps:

- 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 any 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 designed to educate, inform, and inspire employers, their staff and agency representatives. The Forum offers employers timely CalPERS information, valuable educational sessions, and opportunities to connect directly with CalPERS Board members and staff through programming focused exclusively on employer-related topics.

Registration materials are typically available in July. If you have not attended this popular event previously and would like to be added to our direct mailing list, please email your request to CalPERS_Educational_Forum@calpers.ca.gov.

Member Education

Our member education resources provide your employees with valuable information about their CalPERS membership benefits, savings, and health programs, and available online resources.

Educational Resources

Employer-Sponsored Retirement Planning Classes for Members

CalPERS Regional Office staff 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 view 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

Your employees will get a basic understanding of your CalPERS benefits. They will 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 for employees who have completed the Planning Your Retirement class and are ready to fill out their retirement application. They'll 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, your employees will learn how and when to apply, which forms to complete based on their personal situation, and the importance of having a 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 videos? Visit our website at www.calpers.ca.gov to review a list of our upcoming videos. These are placed 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 path.

The CalPERS Benefits Education Events (CBEEs) are offered throughout California and provide informative classes such as: CalPERS Health Benefits, CalPERS Retirement Benefits, Social Security, Your CalPERS Retirement Options, and Save & Invest that 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.

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 not contracted with CalPERS. By joining this trust fund, all 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 our 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 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 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 State 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.

Contact CalPERS Long-Term Care

The CalPERS Long-Term Care Program is administered by our third-party administrator, illumifin.

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.

Form Name	Page
Application for Retired Member/Payee Survivor Benefits (myCalPERS 1191)	150
Tax Withholding Election for Survivor Benefits (myCalPERS 1190)	151
Tax Withholding Election for Survivor Benefits Including Benefits Eligible for Rollover (myCalPERS 1192)	152

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

Application for Retired Member/Payee Survivor Benefits (myCalPERS 1191)

CalPERS

P.O. Box 942715 Sacramento, CA 94229-2715
888 CalPERS (or **888**-225-7377) | Fax: (800) 959-6545
TTY: (877) 249-7442
www.calpers.ca.gov

California Public Employees' Retirement System

Application for Retired Member/Payee Survivor Benefits

Name of Deceased Member (First Name, Middle Initial, Last Name)	CalPERS ID or Social Security Number

- Read the instructions and the questions carefully before answering. Any information you provide will help us determine who is entitled to survivor benefits. If you need help, call **888 CalPERS** (or **888**-225-7377) or TTY users call (877) 249-7442.
- Mail completed form to CalPERS Benefit Services Division, P.O. Box 1652, Sacramento, California 95812-1652 or fax to (800) 959-6545.

Signature Section **Required Information**

By signing this document, you certify under penalty of perjury under the laws of the State of California that the information provided here is correct to the best of your knowledge. You also claim any benefits to which you may be entitled. You understand that completing this document does not necessarily entitle you to benefits.

Print Your Name as It Appears on Your Social Security Card (First Name, Middle Initial, Last Name)	Daytime Phone ( )	
Signature X	Date (mm/dd/yyyy)	
Social Security Number or Tax Identification Number	Relationship to Deceased	
Email Address	Your Date of Birth (mm/dd/yyyy)	
Address for Payment		
City	State	ZIP Code
Address for Other Correspondence (if different than the address for payment)		
City	State	ZIP Code

Section continues on next page

Tax Withholding Election for Survivor Benefits (myCalPERS 1190)

CalPERS

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

888 CalPERS (or 888-225-7377)
TTY: (877) 249-7442 Fax: (800) 959-6545
www.calpers.ca.gov

California Public Employees' Retirement System

Participant Name: CalPERS ID:

IMPORTANT: Failure to return this form will be considered an election to have taxes withheld at the default rate.

Tax Withholding Election

Section 1: Your Information

Last Name	SSN or ITIN

First Name, Middle Initial	Or CalPERS ID

Street Address	Phone Number
	( )

City	State	ZIP Code

Please Tell Us About Your Citizenship and Residency.
Select only one checkbox:

- ☐ I am a citizen of another country and live in the United States.
- ☐ I am a citizen of the United States and live in the United States.
- ☐ I am a citizen of the United States and live in another country.
- ☐ I am a non-resident alien. Provide your country of citizenship and legal residency. **Skip to Section 4: Signature and Date.**

Country of Citizenship: _____ Country of Legal Residency: _____

Please Specify Which Retirement Program You Would Like This Election Applied To:
If multiple programs apply to you, please submit a separate form for each program.

☐ CalPERS ☐ Judges' Retirement System ☐ Judges' Retirement System II ☐ Legislators' Retirement System

Please Specify Which Account(s) You Would Like This Election Applied To:

☐ Retirement ☐ Community Property Benefit ☐ Death Benefits

Tax Withholding Election for Survivor Benefits Including Benefits Eligible for Rollover (myCalPERS 1192)

CalPERS

P.O. Box 942715, Sacramento, CA 94229-2715
888 CalPERS (or **888**-225-7377) | Fax: (800) 959-6545
TTY: (877) 249-7442
www.calpers.ca.gov

California Public Employees' Retirement System

Tax Withholding Election for Survivor Benefits Including Benefits Eligible for Rollover

Name of Deceased _____ **Social Security Number / CalPERS ID Number** _____

You may be eligible for a lump sum and/or monthly benefit. Please complete all applicable sections of this form.

Important: **Failure to return this form will be considered an election to have taxes withheld.**

Section 1 — Lump Sum (Non-Periodic Payments) Option One and Temporary Annuity Payments

Important
Please consider your election carefully. Once payment has been issued, you cannot make a change. Your decision is final once payment had been made.

IRA Information
A spouse or ex-spouse awarded a community property interest has the right to rollover the taxable portion into a "Qualified IRA" or "Inherited IRA". However, Federal law provides that a non-spouse beneficiary is subject to 20% withholding unless rolled into an IRA established on their behalf that will be treated as an "Inherited IRA" pursuant to provision of IRC §402(c)(11).

Federal Tax Withholding Election

☐ **I do not** elect to have the taxable portion of the lump sum benefit payment rolled into an Individual Retirement Account (IRA). I understand that 20 percent federal tax will be withheld.

☐ **I elect** to have the taxable portion of the lump sum benefit payment rolled into the following Individual Retirement Account (IRA).

Name of Financial Institution _____

Plan Name _____

Account Number _____

Address of Institution _____

City _____ State _____ ZIP Code _____

California Tax Withholding Election

☐ **I do not** elect to have state tax withheld from my lump sum benefit payment.

☐ **I elect** to have state tax withheld from my lump sum benefit payment.

Section 2 — Lump Sum (Non-Periodic Payments) Retired Death Benefit

IRA Information
A spouse or ex-spouse awarded a community property interest has the right to rollover the taxable portion into a "Qualified IRA" or "Inherited IRA". However, Federal law provides that a non-spouse beneficiary is subject to 20% withholding unless rolled into an IRA established on their behalf that will be treated as an "Inherited IRA" pursuant to provision of IRC §402(c)(11).

Federal Tax Withholding Election

☐ **I do not** elect to have the taxable portion of the lump sum benefit payment rolled into an Individual Retirement Account (IRA). I understand that 20 percent federal tax will be withheld.

☐ **I elect** to have the taxable portion of the lump sum benefit payment rolled into the following Individual Retirement Account (IRA).

Name of Financial Institution _____

Plan Name _____

Account Number _____

Address of Institution _____

City _____ State _____ ZIP Code _____

California Tax Withholding Election

☐ **I do not** elect to have state tax withheld from my lump sum benefit payment.

☐ **I elect** to have state tax withheld from my lump sum benefit payment.

myCalPERS 1192

Appendix B - Process Descriptions

Flow Chart	Page
Processing the Reciprocal Self-Certification Form	154
Determining Membership Eligibility	156
CalPERS/CalSTRS Retirement System Election	157
CalPERS/CalSTRS Retirement System Election (Continued)	158

Processing the Reciprocal Self-Certification Form 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 R**eciprocal Self-Certification Form Information** 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.

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?

   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)

   CalPERS Membership:

   - California National Guard
   - Elective Officer
   - Legislative Employee
   - Part-time Employee
   - State Appointee

   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

   If CalSTRS is elected, CalSTRS laws apply

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.

State Reference Guide

California Public Employees' Retirement System

August 2026

