



**PAYROLL
&
RETIREMENT
REFERENCE
GUIDE**

FY 2020-21



District Business & Advisory Services

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INTRODUCTION

District Business and Advisory Services

District Business and Advisory Services (DBAS) provides a full range of business services to all school districts and related educational entities in the county.

DBAS provides services in the area of payroll, finance, attendance accounting, record retention, legislation, training and workshops.

Advisory Services

- Fiscal oversight and advisory services
- Financial accounting services
- Legal compliance
- Pupil attendance accounting

Business Services

- Dissemination of State and Federal apportionments
- Federal and State taxes payment and reporting
- Affidavits/Petition for lost or overage payroll and vendor warrants (Series 10)
- Payroll calendar
- Direct deposit processing (ACH)
- Distribution of payroll warrants and payroll reports
- Retirement reporting
- Auditing of commercial warrants
- Wage garnishments (IRS Levy, Franchise Tax Board, Child Support)

Resources

CalPERS

CalPERS Website: <http://www.calpers.ca.gov/>

Phone number: 888-225-7377 or 888-Cal-PERS

Regional Office: 181 Metro Drive, Ste. # 520, San Jose, CA 95110

Main Office mailing address: P.O. Box 1982, Sacramento, CA 95812-1982

CalSTRS

CalSTRS Website: www.calstrs.com

Access: <https://sew.calstrs.com>

Login help: 916-414-5450 or EmployerHelp@calstrs.com

DBAS

DBAS Website: www.sccoe.org/depts/bizserv/DBAS/

Phone Number: 408-453-6570

DBAS Bulletins: www.sccoe.org/depts/bizserv/DBAS/Pages/bulletins.aspx

TDSD Help Desk

Email: tsb_helpdesk@sccoe.org

Phone Number: 408-453-4357

Update to This Reference Guide

Payroll

- Page 8 – Add: MID Payroll Schedules and 6-digit pay line
- Page 15 – Add: HSA Vol-Ded for all other districts
- Page 24 – Add: STRS AC-P-C for Workers Compensation
- Page 26 – Update: Additional Federal and State Taxes Process
- Page 30, 31 – Update: Payroll Tax Rates 2020
- Page 32 – Add: QCC Retro Module – Data Verification

CalPERS

- Page 35 – Update: Active Membership Date for Monitored Positions – Irregular Time Base
- Page 36 – Add: Accumulator Limit Report – Track Retired Annuitants
- Page 37 – Update: Notice of Exclusion Form (PERS-EAMD-139) Revised 04/2020
- Page 49 – Add: PERS Rate for Employee & Employer
- Page 50 – Add: PERS AC-P-C Codes for Retired Annuitants
- Page 52 – Update: PERS Retiree St-Ded for W4 and PR Screens
- Page 53 – Update: PERS Compensation Limit for 2020
- Page 54 – Update: St-Ded for Reporting Retired Annuitants Payroll Information
- Page 66, 67 – Update: Correction for PERS Retiree paid as a member in error

CalSTRS

- Page 83 – Update: Membership Date for FTE 50% K-12 and Community Colleges Part-Time Employees
- Page 93 – Update: STRS Employer Rate for 2020-21
- Page 100 – Update: Post Retirement Earnings Limit for 2020-21
- Page 107 – Update: PR Screen Pay Line Sample for Non Time-Based
- Page 107 – Add: Note for Non Time-Based Additional Duties
- Page 112, 113 – Update: STRS Compensation Limit and reporting examples
- Page 116 – Update: PR Screen Pay Line Sample with hourly pay type
- Page 119 – Add: Note for Refund of CalSTRS Excess Contributions

PAYROLL

Payroll is one of the most important financial components of a business and is subjected to laws and regulations. In an effort to provide consistency, SCCOE has standardized the Pay Date schedule so that paychecks are processed on the following three days of the month:

- Tenth day of the month (**TENTH**)
- Twentieth day of the month (**MID**)
- End of the Month (**EOM**)

However, if the paycheck date falls on a non-workday, the paychecks will be processed on the preceding workday. The following MID payroll schedules have been mass linked to all districts:

M10B06	MID 10MO REG OFF-JUN,JUL
M10B07	MID 10MO REG OFF-JUL,AUG
M10BSP	MID 10MO SUP OFF-JUL,AUG
M10R06	MID 10MO REG DEF-JUN,JUL
M10R07	MID 10MO REG DEF-JUL,AUG
M10RSP	MID 10MO SUP DEF-JUL/AUG

M11B07	MID 11MO REG OFF-JUL
M11B08	MID 11MO REG OFF-AUG
M11R07	MID 11MOS REPAY-JUL DS-REG
M11RSP	MID 11MO DEF-JUL
MIDREG	MID ISSUE 12MO REG
MIDSUP	MID ISSUE 12MO SUP

NOTE:

November and December months are an exception due to their holiday schedules.

IMPORTANT:

QCC does not have the ability to process a **6-digit pay line**. If an employee has earnings of over \$99,999 in one pay line or a combination of two or more pay lines on the same pay date, it will cause an enormous error because QCC will truncate the first digit. Please contact DBAS for assistance.

```
Gross:29,775.53   Fit: 450.00   Sit:13,047.82   Sdi: 0.00   Ded: -203.12   SB: 0.00
Oasdi: 0.00   Medi: 2,555.75   Ret: 2,118.67   Eic: 0.00   Tsa: 8,666.66   Net:103,139.75
```

```
PL Posit#      Rate      Units RTS   Ex-Gross Type St-Ded Pay Sched SP EP   Ret Base AC-P-C S
01 000000    30,266.73      1.00 L P   30,266.73  NML  TFNP    EOMREG ** **   30,266.73 08-1-1 1
```

```
PL Posit#      Rate      Units RTS   Ex-Gross Type St-Ded Pay Sched SP EP   Ret Base AC-P-C S
04 000000     207.31     480.00 H U   99,508.80  VAC  TFNN    EOMREG ** **    207.31 00-0-0 1
```

For example: Gross Pay should be \$129,775.53, but the first digit was dropped during payroll processing.

Direct Deposit Reject/Reissue

A Direct Deposit Reject/Reissue is processed when the bank has rejected a Direct Deposit due to an incorrect account number or an account that has been closed.

- It may take up to five (5) business days to see any rejected items.
- DBAS will issue an AP Warrant for the Net Amount for any direct deposit that has been rejected; warrant will be available the next day.
- Employees' Comment (CO) screen will be updated to reflect the replacement warrant information.
- District will need to update the banking information to a valid account and pre-note again.
 - Changes must be made prior to closing payroll to prevent the direct deposit from rejecting again.
- If the direct deposit rejects for two (2) consecutive payrolls, DBAS will not issue a replacement warrant.
 - The net amount will be transferred back to the district.
 - The district will be responsible to reissue the net to their employee.
- For NEW Direct Deposits, ALWAYS "Pre-Note".
- DBAS will notify district payroll staff, if a pre-note is unsuccessful.

The screenshot shows a 'Direct Deposit' form. The 'Transaction Type' section has a dropdown menu with a red circle around it and a red error icon. Below it are radio button options: 22 = Deposit to checking, 32 = Deposit to savings, 00 = No auto deposit, 23 = Prenote to checking, 33 = Prenote to savings, and 99 = Special (no ACH) deposit to CU. Two yellow arrows point from the 22 and 32 options to the 23 and 33 options. The 'Bank Routing and Account Information' section has two yellow input fields for 'Transit/ABA number' and 'Account number'.

Direct Deposit Recall/Reversal

A Direct Deposit Recall/Reversal is initiated by the district when there is an error with an employee's pay or when the employee was not entitled to any compensation; as well as when employee's banking information is incorrect, or their account has been compromised.

- Direct Deposit Recall/Reversal Request Form is e-mailed to the districts' accounting specialist to start the process. Once the form is received, the process begins immediately and cannot be stopped.

NOTE:

- The reversal request can be submitted to the bank two business days prior to the posting date.
- The reversal request must be received by 12:00 p.m. by the fourth (4th) business day after the original posting date (pay date).
- District is responsible to ensure the correct routing number and account number are entered in the reversal request. Wells Fargo will not notify DBAS if incorrect information is submitted.

- There is a waiting period of five (5) business days to confirm that the recall/reversal is successful.
- Once confirmed the accounting specialist will contact the district payroll staff.
- A cash transfer (TF) will be processed for any deductions paid by DBAS.
- The direct deposit will be cancelled in QCC on the next Payroll Cancel Warrant Run, this process is done on the DBAS Processing Day 1 of both 10th of the Month payroll and End of the Month payroll.

IMPORTANT:

If the direct deposit recall/reversal is unsuccessful, the district will be notified. At this point, the direct deposit will not be cancelled in QCC until DBAS receives further notice from the district.

Deceased Warrant Processing

The district has a fiduciary responsibility to ensure that the final compensation of a deceased employee is received by their beneficiary. For tax treatment purposes, refer to the table below for guidelines from California Employment Development (EDD) and Internal Revenues Services (IRS).

Tax treatment for deceased employee's wages	Employment Development Department (EDD)				Internal Revenue Services (IRS)			
	Withhold Unemployment Insurance (UI)	Withhold State Disability Insurance (SDI)*	Withhold State Income Tax (SIT)	State Income Tax Wages	OASDI	MEDICARE	Withhold Federal Income Tax (FIT)	Federal Income Tax Wages
Paid <u>after the date of death</u> but in the same calendar year in which the employee died	Yes	Yes	No	Not reportable	Yes	Yes	No	Not Reportable
Paid after the year of death	N/A	N/A	N/A	N/A	No	No	No	Not Reportable

*Only applies to Districts that pay into SDI

IMPORTANT:

- Whether the payment is made in the year of death or after the year of death, you must report it in box 3 of Form 1099-MISC, Miscellaneous Income, for the payment to the estate or beneficiary.
- If the payment after death is only for deferred pay then no 1099-MISC is necessary, cancel the warrant at the bank only and reissue the deferred pay through AP to the beneficiary.
- Use the name & taxpayer identification number (TIN) of the payment recipient on Form 1099-MISC.
- If the payment is a reissuance of wages that were constructively received by the deceased employee while he or she was still alive, do not report it on Form 1099-MISC. Example: stale dated warrant

NOTE:

- Any earnings paid after the year of death, coded with NNNS (STRS Reportable) or NNPN (PERS Reportable) will cause negative taxable gross.
- Use PD Screen to refund the STRS or PERS contribution amount
 - ❖ 8112 (STRS) or 8212 (PERS Pre-tax) or 8202 (PERS Post-tax): Put in the contribution amount as a negative (-) amount under the employee
 - ❖ 7308: Put in the contribution amount as a positive (+) amount under the employee
 - ❖ The accounting specialist will debit the district 9920 (STRS) or 9921 (PERS) to transfer the contribution amount to District #92
- For STRS, the F496 will show the contribution amount under the post-tax column.
- Notify your accounting specialist to fix it in the retirement module.

Reference: 2020 IRS General Instruction for Forms W-2 and W-3 & EDD's Information Sheet (DE 231TP)

Deceased Warrant Processing (Cont'd)

St-Ded Profiles for PR Screen:

- Accrued wages, vacation pay, and other compensation **paid after employee's date of death but in the same calendar year.**

NMNN – STRS Non Reportable

N: No State & Federal
M: Medicare
N: No SDI
N: No STRS Contribution

NMNS - STRS Member RS: 01 or 11

N: No State & Federal
M: Medicare
N: No SDI
S: STRS Contributions

NFNN - PERS Non Reportable

N: No State & Federal
F: Social Security & Medicare
N: No SDI
N: No PERS Contribution

NFNP - PERS Member RS: 02 or 12

N: No State & Federal
F: Social Security & Medicare
N: No SDI
P: PERS Contributions

NFSN - PERS Non Reportable

N: No State & Federal
F: Social Security & Medicare
S: SDI
N: No PERS Contribution

NFSP - PERS Member RS: 02 or 12

N: No State & Federal
F: Social Security & Medicare
S: SDI
P: PERS Contributions

- Accrued wages, vacation pay, and other compensation **paid after the year of death**

NNNN - Non Reportable

N: No State & Federal
N: No Social Security & Medicare
N: No SDI
N: No Retirement Contribution

NNNP - PERS Reportable

N: No State & Federal
N: No Social Security & Medicare
N: No SDI
P: PERS Contributions

NNNS - STRS Reportable

N: No State & Federal
N: No Social Security & Medicare
N: No SDI
S: STRS Contributions

Deceased Warrant Processing (Cont'd)

When the recipient of a payroll warrant perishes while the warrant is still negotiable:

- The district needs to notify their service team accounting specialist and submit one of the following:
 - ❖ District Warrant Cancellation Request → *select payroll cancel at the Bank and in QCC*
 - ❖ District Direct Deposit Recall/Reversal Request → *select QCC Cancel & Bank Recall/Reversal*
- Upon receiving confirmation from the bank, DBAS will notify the district.
 - ❖ The warrant will be cancelled in QCC during the next payroll run.
- The district will reissue the payroll warrant following the EDD & IRS guidelines on page 11.
- Then submit District Warrant Cancellation Request → *select payroll cancel at bank only.*
- Upon receiving confirmation from the bank, DBAS will transfer the net amount back to the district.
- The district will issue a replacement warrant to the beneficiary, and a 1099.
- If a warrant is stale dated and the payee is deceased:
 - The net amount will be transferred back to the district.
 - The district will issue a replacement warrant to the beneficiary, **without a 1099.**

NOTE:

If an employee is on direct deposit and notification of death comes in prior to closing payroll, take the employee off of direct deposit so that a paper warrant is issued.

Reference: Per California Probate Code section 13100 (used by all COEs) if 40 days have elapsed since the death of a person, their successor may collect any item of property that is money due the decedent as long it is valued at less than \$150,000. This can be done without any letters of administration or probate of the will.

Stale Dated Warrants

Warrants that are not presented for payment within a specific amount of time (180 Days) are considered stale dated and will no longer be valid for redemption.

Based on the 365-day calendar year, Wells Fargo will not honor any 180-day old outstanding warrants from SCCOE's disbursement accounts. The counting will start the next calendar day after the issue date of the warrant.

For example: A warrant that has the issue date 07/31/2017 will reach 180-days old on 01/27/2018. Therefore, it will become stale dated on 01/27/2018 and will not be honored at the bank.

The report for all stale dated cancellations can only be generated on a monthly basis.

- For Accounts Payable (AP) stale dated warrants:
 - AP stale dated warrants will be cancelled both at the bank and in QCC.
 - The cancellation in QCC will reverse the monies back to the districts.
 - The accounting specialist will provide the supporting document to the districts.

- For Payroll stale dated warrants:
 - Payroll stale dated warrants will be cancelled ONLY at the bank.
 - DBAS will transfer the net pay amount of all stale dated payroll warrants to districts.
 - The accounting specialist will provide the supporting document to districts.

IMPORTANT:

It is the district's responsibility to reissue stale dated warrants through Accounts Payable for:

- AP stale dated warrant: reissue to vendors
- Payroll stale dated warrant: reissue to employees

Reference: GC 50050 through 50057 for instructions on dealing with items that are payable to third parties but remain unpaid. There are legal consequences for not complying with Government Code. You may want to consult with your legal counsel and draft an official policy on dealing with such items.

Payroll Cancellations

School districts submit Warrant Cancellation Request Form to DBAS for a warrant that needs to be cancelled in QCC due to an incorrect pay or the employee was not entitled to any compensation. During the Payroll Warrant Cancellation process, all expenditures are reversed on the district's general ledger.

Occasionally, there have been county-paid payments made out to different entities on employee's behalf and DBAS will recuperate those amounts, using the account string provided by the district on the warrant cancellation request form.

NOTE:

It is district's responsibility to recover any voluntary deduction amounts from employees or agencies that receive payments belonging to the cancelled warrant.

Before cancelling a payroll warrant in QCC, the accounting specialist will:

- Review the pay history of the warrant to identify all voluntary deductions paid by the county.
 - **Credit Unions:** Vol-Ded # 2001, 2002, 2003, 2016
 - **Donations:** Vol-Ded # 3511
 - **Garnishments:** Vol-Ded # 0199, 5512 – 5515, 5517 – 5521
 - **Roth:** Vol-Ded # 7600 – 7849
 - **TSA:** Vol-Ded # 9000 - 9999
 - **HSA:** Vol-Ded # 5413 (District 90), Vol-Ded # 5419 (All Other Districts)
- Process a cash transfer to collect the monies from district for all county-paid voluntary deductions.
- Provide the supporting document to the districts.

IMPORTANT:

- To ensure the accuracy of the employees' W-2, Payroll Warrant Cancellation must be processed within the same calendar year of the original warrant's issue date.
- Payroll Warrant Cancellation Requests that cross calendar years will not be cancelled in QCC and District will be responsible to submit W-2C.
- Guidance will be provided on a case-by-case basis.
- No cancellations will be processed from July 1st – July 10th and January 1st – January 10th

Payroll Cancellations (Cont'd)

When a warrant is issued in error to the employee and the employee is terminated on the day of, or after the issuance of the erroneous warrant, the payroll cancellation should be processed as follow:

	Warrant Issued	Cancelled in QCC
Gross	7,420.50	(7,420.50)
Fed Tax	394.60	(394.60)
State Tax	147.10	(147.10)
OASDI	-	-
Medicare	104.68	(104.68)
TSA	250.00	(250.00)
Retirement	593.64	(593.64)
Vol-Ded	337.95	(337.95)
Vol-Ded Credit Union	600.00	(600.00)
Vol-Ded Garnishment	150.00	(150.00)
<u>Net Pay</u>	<u>4,842.53</u>	<u>(4,842.53)</u>

1. Calculate the amount to be collected from the employee:

<u>Net Pay Amount</u>	+ TSA	+ Credit Union	+ Garnishment	
4,842.53	+ 250.00	+ 600.00	+ 150.00	= 5,842.53

2. District will:
 - a. Collect the amount of \$5,842.53 from the employee and deposit to District's account.
 - b. Submit a Warrant Cancellation Request form for cancel in QCC ONLY.
3. DBAS will process a cash transfer for \$5,842.53 to reimburse the payroll revolving account.
4. During the Payroll Warrant Cancellation process, all expenditures are reversed on the district's general ledger and the employee's payroll history will be correctly stated in QCC.

Payroll Cancellations (Cont'd)

When an employee is overpaid but no longer active at district, the following process of a payroll cancellation and re-issue is required at the district level to reflect the employee's accurate earnings in QCC and ultimately the W-2.

	Original Warrant (CXL in QCC)	Reissued Warrant (CXL @ BANK)	Difference	Cancelled in QCC
Warrant No.	92000001	92000002	-	92000001
Issue (Cancel) Date	01/31/18	02/03/18	-	(02/03/18)
Gross	7,420.50	5,000.00	2,420.50	(7,420.50)
Fed Tax	394.60	275.00	119.60	(394.60)
State Tax	147.10	110.00	37.10	(147.10)
Medicare	107.59	72.50	35.09	(107.59)
TSA	250.00	250.00	-	(250.00)
Retirement	593.64	400.00	193.64	(593.64)
Vol-Ded	337.95	-	337.95	(337.95)
Vol-Ded Credit Union	600.00	600.00	-	(600.00)
Vol-Ded Garnishment	150.00	150.00	-	(150.00)
<u>Net Pay</u>	<u>4,839.62</u>	<u>3,142.50</u>	<u>1,697.12</u>	<u>(4,839.62)</u>

1. Calculate the amount to be collected from the employee:

Net Pay Amount	+ TSA	+ Credit Union	+ Garnishment	
1,697.12	+ 0.00	+ 0.00	+ 0.00	= 1,697.12

2. **For the original warrant**, district will:

- a. Collect the amount of \$1,697.12 from the employee and deposit to District's account.
- b. Submit a Warrant Cancellation Request form for cancel in QCC ONLY.

3. DBAS will process a cash transfer for \$1,697.12 to reimburse the payroll revolving account.

4. **For the reissue warrant**, district will:

- a. Reissue a warrant with the correct net pay amount of 3,142.50.
- b. The reissue must include the TSA (250.00), Credit Union (600.00), and Garnishment (150.00) amounts, since DBAS will not be able to recover these amounts.
- c. Submit another Warrant Cancellation Request form for cancel at BANK ONLY.

Deferred Pay

Deferred Pay is available for employees who work 10 or 11 months in a fiscal year. The employee may elect to split their *net pay* over 12 months; this does not affect their gross wages or taxable income. For normal deferred pay deduction and repayment, the Pay Schedule field on the W4 screen defines when deferred pay transactions occur. Pay Schedules contain 6 characters; the 4th character (**R**) is the one that calculates Deferred Pay.

W4 screen sample:

Control Information			
Check sort: 0210 - GILROY HIGH	Alt check sort:		
Pay code: 01 - CERTIFICATED SALARIED	Primary RS: 01 - STRS CERTIFICATED RETIREMENT	Unit: 000	
Ret code: 54-0-1	Secondary RS: 00 - NO CODE	Unit: 000	
Pay schedule: E10R07 - EOM 10MOS REPAY-JUL DS-REG	Statutory ded: TMNS - FIT SIT MEDI STRS		
DPO: D ← Regular funding	EIC: Sub: 0 - Not sub	Def Pay Bal: 5,599.71	
Control group: AA - CERTIFICATED 10	ACA Class	Current: 0000	

IMPORTANT:

If an employee changes from 10-month contract to 11-month contract, the district must pay off deferred pay for 10-month contract first, and then set up deferred pay for 11-month contract in the new fiscal year.

Common Error - Negative Deferred Pay Amount

Error reporting for negative deferred pay is available on the PAY512 report which is generated with the Payroll Prelist, PAY510. The two main causes for Negative Deferred Pay are:

- Negative earning adjustment on the pay line
- Multiple pay lines with a combination of pay schedule that have both 'R' and 'B'

<div style="border: 1px solid black; padding: 2px;"> (3C-QA) TEST v54 neg def pay msg #6 </div>		<div style="border: 1px solid black; padding: 2px; background-color: yellow;"> PAYROLL EXCEPTION/WARNING LIST WARNING: DEFERRED PAY NET IS NEGATIVE </div>	J3962 PAY512 L.00.06 03/02/18 PAGE 2 (EOM) PAID: 03/29/2018 END: 03/31/2018	
REFERENCE	NAME	--SORTS--	CONTROL INFO	W4 INFO
			PL:0034 PC:02 EI:* CG:CL RS:02--1-1 FM:M-01 SM:M-01 TC:05 AP:22 HTP:11	
TS	.00 TG 3441.73 FT 258.30 ST 40.33 CN	1.00 FI 280.52 SD 28.95 EI	.00 SB .00 RT 225.18	*PD 3300.00 NP 466.37-

IMPORTANT:

It is the district's responsibility to review the error reporting for negative deferred pay and make correction accordingly before closing payroll.

Example: Change employee's pay line (PR) from E10R07 (Deferred Pay) to E10B07 (Benefits only)

Deferred Pay (Cont'd)

DPO Value	Repayment Occurs when	Deduction for Deferred Pay	W4 Pay Schedule	DOP Value After Repayment
RP	...employee receives any gross pay	...will be deducted for gross paid on a "REG" pay schedule AND ...will NOT be deducted for gross paid on a "SUP" pay schedule	E10R06 E10R07 E11R06 E11R07 E11R08	D
RR	...employee receives gross pay on a "REG" pay schedule	...will be deducted because employee is receiving a "REG" pay on deferred pay schedule	E10R06 E10R07 E11R06 E11R07 E11R08	D
RS	...employee receives gross pay on a "SUP" pay schedule	...will be deducted for gross paid on a "REG" pay schedule AND ...will NOT be deducted for gross paid on a "SUP" pay schedule	E10R06 E10R07 E11R06 E11R07 E11R08	D
RA	...the district authorizes ANY type of payroll, whether the employee receives gross or not	...will be deducted for gross paid on a "REG" pay schedule. AND ...will NOT be deducted for gross paid on a "SUP" pay schedule	E10R06 E10R07 E11R06 E11R07 E11R08	D
XP	...employee receives any gross pay	...not taken	Any non-deferred-pay, pay schedule	N
XR	...employee receives gross pay on a "REG" pay schedule	...not taken	Any non-deferred-pay, pay schedule	N
XS	...employee receives gross pay on a "SUP" pay schedule	...not taken	Any non-deferred-pay, pay schedule	N
XA	...the district authorizes ANY type of payroll, whether the employee receives gross or not	...not taken	Any non-deferred-pay, pay schedule	N

Deferred Pay (Cont'd)

How Deferred Pay is calculated:

<i>E10R07</i> NML Gross Pay Line	6,559.12
FIT	(448.45)
SIT	(82.39)
MEDI	(76.33)
RET	(524.73)
CLD1	(500.00)
DEN1	(36.18)
DIS	(52.56)
DUE	(100.06)
MED1	(683.52)
MIS1	(75.00)
TSA	(342.00)
Total Deductions	(2,921.22)
<i>E10R07</i> NML Gross – All Deductions	3,637.90
For Deferred Pay Calculation take NML Gross – All Deductions x 16.70%	607.68
Net Pay =	3,030.22

Deferred Pay Calculation Formula:

$$\text{Monthly Deferred Deduction} = \frac{\text{Net Pay} \times \# \text{ of Non - Deferred payrolls}}{12}$$

Example:

10-month employee → Monthly Deferred Deduction = Net Pay x 2/12 (or 16.7%)

11-month employee → Monthly Deferred Deduction = Net Pay x 1/12 (or 8.33%)

Deduction Schedule (DS)

Depending on an employee's salary schedule and request, districts use a deduction schedule in QCC to determine the number of voluntary deductions taken from the employee's warrant per fiscal year. Voluntary deductions can be pre-tax or post-tax.

Voluntary deductions include:

- 403(b)
- 457 Plan
- Medical
- Dental
- Life insurance
- Disability
- Dependent Care
- Child Care
- Union Dues
- Tax Shelter Annuity
- Donation
- Garnishments

It is important that districts use the correct DS code when setting up an employee's voluntary deduction in QCC Deduction screen (PD).

Failure to select an appropriate DS code will result in either over-collecting or under-collecting taxes, if the voluntary deductions are pre-tax.

Sample of Employee's QCC Deduction Screen (PD)

Ln	DS	Code	Code Name	Plan	Employee	Employer	T	RL	B	F	S	vb	Minimum	Maximum	Balance	Limit	Start	End
1	27	4026	DUE	001	103.40	0.00							0.00	0.00	0.00	0.00		
2	12	6543	MED FOUNDATION PLUS	004	0.00	2,405.30							0.00	0.00	0.00	0.00		
3	27	6923	MED1 FOUNDATION PLUS	999	120.00	0.00					1		0.00	0.00	0.00	0.00		
4	12	2512	DEN DELTA DENTAL PLAN	001	0.00	120.07							0.00	0.00	0.00	0.00		
5	12	4516	EYE CALIF VISION SERVICE	001	0.00	19.41							0.00	0.00	0.00	0.00		
6	12	6080	LIF THE STANDARD(CTA-MEMBER)	100	0.00	8.68							0.00	0.00	0.00	0.00		
7	12	6524	MED HEALTH INSURANCE	001	0.00	3.03							0.00	0.00	0.00	0.00		
8	27	3039	DIS THE STANDARD (CTA-MEMBER)	001	0.00	0.34	P	NG					0.00	0.00	0.00	99.00		
9	99	6513	LEG MISCELLANEOUS LEGALS		2,296.00	0.00							0.00	0.00	0.00	0.00		
10	27	6923	MED1 FOUNDATION PLUS	111	25.00	0.00					1		0.00	0.00	0.00	0.00		
11	02	7303	MIS ADV PAYMENT REIMBURSE		200.00	0.00							0.00	0.00	0.00	0.00		
Total Employee Deductions					2,744.40	Total Employer Deductions					2,556.49							

Refer to the next page for a detailed list of Deduction Schedule codes and their descriptions.

Deduction Schedule (Cont'd)

DS CODE	DESCRIPTION	DS CODE	DESCRIPTION
1	TAKE 1 TIME	42	10/10 OFF-JUN,JUL DD-APR,MAY
2	TAKE 2 TIMES	43	9/9 OFF-JULAUGSEP DD-APRMAYJUN
3	TAKE 3 TIMES	51	11/11 OFF-JUN DD-MAY
4	TAKE 4 TIMES	52	10/10 OFF-JUL,AUG DD-MAY,JUN
5	TAKE 5 TIMES	53	9/9 OFF JUN,JUL,AUG DD-MAY
6	TAKE 6 TIMES	61	11/11 OFF-JUL DD-JUN
7	TAKE 7 TIMES	62	Special Metro Ed
8	TAKE 8 TIMES	71	11/11 OFF-AUG DD-JUL
9	TAKE 9 TIMES	72	SPECIAL FOR GAVILAN
12	12 DEDS / 12 BENS	77	SANTA CLARA 1&2/7 DEDUCT
16	11/11 OFF-JUN DD-NONE	78	SANTA CLARA 1&1/7 DED
17	11/11 OFF-JUL DD-NONE	95	10 MONTH RETIREE REGULAR
18	11/11 OFF-AUG DD-NONE	96	Temporary DS for Dist20 TSAx2
26	10/10 OFF-JUN,JUL DD-NONE	97	SPECIAL DS FOR SUPPLEMENTALS
27	10/10 OFF-JUL,AUG DD-NONE	98	BENEFITS ONLY
28	10/10 OFF-AUG,SEP DD=NONE	99	TAKE DEDUCTION W/EACH PAY
36	9/9 OFF-JUN,JUL,AUG DD=NONE	X0	10 Payrolls- Sept through June

Workers Compensation

Employees who are injured on the job are compensated for wages missed during the time they are not able to work. The district is responsible for ensuring that the employee is paid accurately and the workers compensation adjustment does not exceed the employee’s **taxable gross wages**.

1. Generally, the district receives a check directly from workers compensation carrier.

IMPORTANT:

If the employee receives a workers compensation check, it must be endorsed over to the district.

2. Review the employees Payroll History (PI) screen or for payroll information needed to calculate the adjustment.
3. Adjustments should be done on a separate pay line, so that there is history of the amount adjusted.
4. District should adjust the workers compensation line in payroll as follow:

Gross Pay – DEN1 – EYE1 – MED1 – Retirement – TSA = Workers Comp Adjustment

NML Gross Pay	5,966.13
DEN1	(95.98)
EYE1	(200.06)
MED1	(783.52)
Retirement	(417.63)
TSA	(3,300.00)
Total Deductions	(4,797.19)
Gross – Pretax Deductions = Taxable Gross Allowed	1,168.94
Workers Comp Adjustment is	1,168.94

IMPORTANT:

- Adjustments that exceed the Taxable Gross Allowed, based on the sample calculation above, will create a negative taxable gross in the employee’s payroll history.
- Negative Taxable Gross will NOT produce the employee’s W-2 at year end.
- Adjustments can only be done for the current calendar year.
- Any prior year adjustments require a W-2C.

Workers Compensation (Cont'd)

Workers Compensation Adjustment on DCKN pay line:

The DCKN pay line must have the same Rate Type, St-Ded, Ret. Base/Pay Rate, AC-P-C code and Pay Schedule as the NML pay line. Adjustments cannot be greater than the amount received from workers compensation.

SUI Flag (State Unemployment Insurance): Code 1 → Regular Funding

Workers Compensation Adjustment on NTX pay line:

The NTX pay line must have the same Rate Type, Ret. Base/Pay Rate, AC-P-C code and Pay Schedule as the DCKN pay line. St-Ded for this pay line is WNNP for PERS and WNSN for STRS.

SUI Flag (State Unemployment Insurance): Code 0 → Exempt from SUI

Credential Holds

No order for a warrant, and no warrant drawn pursuant to Section 42647, shall be drawn in favor of any person employed in a position requiring certification qualifications.

The County Office of Education shall withhold all payroll warrants for certificated employees who provide services in a Certificated Position without possessing valid documents with the following stipulations:

- Teachers who are eligible to renew “Clear” may file the *CL-224- Approval of Services Rendered without a Valid Credential form* with the Credentials Unit of the Santa Clara County Office of Education.
 - The Commission on Teacher Credential makes the decision to approve or disapprove these forms at its regularly scheduled Commission Meeting. This process can take up to several months to complete
 - Payroll warrants shall be withheld until approval is received.
- There is no process to approve the services rendered by those persons whom are not eligible to renew a “Clear Credential”.
 - It is the districts’ responsibility to verify that all certificated employees have valid Certification prior to rendering services.

Credential Holds Process at SCCOE:

1. On DBAS Processing Day 1, DBAS receives a list from the credential department for certificated employees that have either revoked or expired credentials.
2. Accounting Specialists are required to inactivate the employee’s certificated pay lines and notify district.

IMPORTANT:

- It is not legal to change the employee’s pay line to a classified account string, if they were working in a certificated position.
- However, if the certificated employee was working in a classified position, the district’s authorized manager must certify in writing. The following must be included in the statement:
 - Job title held by the employee
 - Dates worked in the position
 - Copy of the job description
- DBAS will make a determination and remove the credential hold if applicable.
- District should contact SCCOE Credential Services for any questions regarding credentials such as an authorization to pay an employee for a period that his/her credential has expired.

Reference: California Education Code section 45034

Additional Taxes – Federal and State

Effective January 1st, 2020, any employee who chooses to have extra Federal and State taxes taken out of their NML gross pay, is required to submit IRS 2020 W-4 to the district. The district must use the QCC W-4 screen to setup and fill out the information accordingly.

2020 W4 (Currently N In record) Uncheck this if you are only changing control information Checkbox 2c

E X E M P T

	Status	Exemptions	Tax-CC	Y	A	N	Special Tax Rules	Box 3	Box 4a	Box 4b	Box 4c
Federal :	M	00 00	00	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="checkbox"/> 0.00	<input type="checkbox"/> 0.00	<input type="checkbox"/> 0.00	<input type="checkbox"/> 0.00	<input type="checkbox"/> 0.00
State :	S	00 00	05	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="checkbox"/> 0.00	<input checked="" type="checkbox"/> 0.00	<input checked="" type="checkbox"/> 0.00	<input checked="" type="checkbox"/> 0.00	<input type="checkbox"/> 0.00

Employees who were setup on the PD screen for additional taxes withhold prior to 01/01/2020, should remain the same. Districts may continue to use the voluntary deduction codes setup for this purpose.

- Vol-Ded 8700 for Federal Taxes
- Vol-Ded 8600 for State Taxes

PD Screen Sample: **Excess Federal and State Taxes**

Ln	DS	Code	Code Name	Plan	Employee	Employer	T	RL	B	F	S	vb	Minimum	Maximum
1	12	8700	EXCESS FEDERAL TAX		50.00	0.00							0.00	0.00
2	12	8600	EXCESS STATE TAX		50.00	0.00							0.00	0.00

IMPORTANT:

If an employee who had a PD screen setup for additional taxes, wants to amend their Federal and/or State additional withholding amount, the employee must submit IRS 2020 W-4 and/or CA DE-4 and the district must use the W-4 screen onwards.

Garnishments

Garnishments are generally the end result of a failure to pay. As recourse, agencies are able to collect money owed from employees including interest and penalties through court orders.

As a courtesy to the districts, DBAS processes garnishment payments to garnishing agencies for employees at Santa Clara County School districts. Currently, we do not pass the fees for this service to the employees who have active orders. The law allows for the collection of these fees.

DBAS receives garnishment orders, modifications, and withdrawals from various agencies. Each agency has specific rules and regulations. Nonetheless, all garnishments must be processed during the first payroll after ten days of our receipt.

- If a withdrawal is not received before the district payroll close date, then the payment will be remitted to the garnishing agency.
- It is the employees' responsibility to contact the garnishing agency to make payment arrangements or to dispute an order.

IMPORTANT:

If the district receives a garnishment, release or modifications of order please forward to DBAS immediately.

<u>Vol-Ded</u>	<u>Description</u>	<u>Vol-Ded</u>	<u>Description</u>
0199	Family Support to Santa Clara & Other Counties	5517	Court Order Debt
5512	Sheriff Earning Withholding Order	5518	Family Support Out of State
5513	Family Support Directly to Recipient	5519	Bankruptcy
5514	Franchise Tax Board	5520	Student Loan
5515	IRS Levy Remittance	5521	Vehicle Registration

Sick Pay Reporting

What is Sick Pay?

Sick pay generally means any amount paid under a plan because of an employees' temporary absence from work due to injury, sickness, or disability. These payments include both short and long-term benefits. However, only the first 6 months of the benefits are taxable.

What is NOT Considered Sick Pay?

- Disability retirement payments
- Worker's Compensation Sick pay, which is made after the first six calendar months following the last calendar month in which the employee performed services for the employer. This Third Party Sick benefit is not subject to FICA and Medicare.
- Payments in the nature of worker's compensation-Public Employees
- Medical expense payment
- Payments unrelated to absence from work

IMPORTANT:

- Payments of State Disability Insurance (SDI), Paid Family Leave (PFL) are not subject to retirement.
- Districts that participate and pay into the SDI program can follow the process of integration/coordination in which your employee can be paid the full SDI or PFL weekly benefit amount and also being paid wages from Districts or be using the available leave to cover the difference. Visit http://www.edd.ca.gov/Disability/FAQ_Integration_Coordination.htm for more information.

Reference: IRS 2017 Publication 15-A for detail examples of Third party payments that are not sick pay by the Internal Revenue Service

Third Party Payers of Sick Pay

Third Party as an Employer's Agent

The third party that makes payments of sick pay as your agent is not considered the employer and generally has no responsibility for employment taxes. This responsibility remains with the employer. These payments should be paid directly to the employer and the employee should be paid through the employer's payroll system. Liability payments for employee and employer taxes are the responsibility of the employer:
e.g. if a third party provides administrative services only, the third party is your agent.

Third Party NOT as an Employer's Agent

A third party that makes payments of sick pay other than as an agent of the employer (If the third party is paid an insurance premium and is not reimbursed on a cost-fee-basis, the third party is not your agent) is liable for federal income tax withholding (if requested by the employee) and the employee part of the social security and Medicare taxes. The third party is also liable for the employer's part of Social Security, Medicare, FUTA and preparing the quarterly tax returns and the reporting of W2.

IMPORTANT:

- District must ensure that third party vendors that are making payments directly to the employees are responsible for the tax remittance and reporting.
- All third party sick leave requiring district burden tax payments need to be processed through the payroll system.
- Manual processing of third party sick leave totals will no longer be processed. By eliminating the need for manual adjustments during calendar year end processing, payroll history records will retain data integrity and employees should receive their W-2 forms earlier in January.

Reference: Section 931.5 of the California Unemployment Insurance Code (CUIC) provides that third-party sick payments are "wages" for the purpose of reporting Unemployment Insurance (UI) and Employment Training Tax (ETT). These payments are also reportable as Personal Income Tax (PIT) wages, which are wages subject to California personal income tax. Even though PIT withholding on these wages is not mandatory, the wages are considered taxable income to the recipient and must be reported on the recipient's California income tax return. Without exception, payments for third-party sick pay are not subject to State Disability Insurance (SDI).

Payroll Tax Rates 2020

FICA Taxes (Federal Insurance Contributions Act)

Employee:	7.65%
Employer:	7.65%

Note: The 7.65% tax rate is the combined rate for Social Security and Medicare. The Social Security portion (OASDI) is 6.2% on earnings up to the applicable taxable maximum amount - \$ 137,700. The Medicare portion (HI) is 1.45% on all earnings.

Maximum Taxable Earnings

Social Security (OASDI only):	\$137,700
Medicare (HI only):	No limit

An additional employee only Medicare tax of 0.9% applies to wages in excess of \$ 200,000 for single tax payers and \$250,000 for married taxpayers filing jointly (same as 2019). The rates shown above do not include the 0.9 percent.

An employer is required to begin withholding Additional Medicare Tax in the pay period in which it pays wages or compensation in excess of \$200,000 to an employee and continue to withhold it until the end of the calendar year.

Health Savings Accounts (HSA)

Eligibility: A HSA is an account owned by a qualified individual who must be covered by a High Deductible Health Plan (HDHP) and not be covered by other health insurance except for permitted insurance listed under section 223(c)(3) or insurance for accidents, disability, dental care, vision care, or long-term care.

- Minimum deductible for a HDHP is \$1,400 for single coverage and \$2,800 for family coverage
- Maximum annual out-of-pocket expense limit for HDHP's is \$6,900 for single coverage (up \$150 from 2019) and \$13,800 for family coverage (up \$300 from 2019)
- Maximum contribution to a health savings account is \$3,550 for single coverage (up \$50 from 2019) and \$7,100 for family coverage (HSA holders 55 and older get to save an extra \$1,000 which means \$4,550 for an individual and \$8,100 for a family)

Flexible Spending Accounts (FSA)

Maximum pre-tax contribution to health care reimbursement flexible spending accounts is \$2,750 per plan year.

Section 403(b) Tax Sheltered Annuities

Maximum amount of employee elective deferrals is \$19,500 (up \$500 from 2019)

Employees age 50 or older and meeting other requirements can make up to \$6,500 in additional catch-up contributions (up \$500 from 2019)

Payroll Tax Rates 2020 (Cont'd)

Section 457 Deferred Compensation Plans

Maximum amount of contributions is \$19,500 (up \$500 from 2019)

Employees age 50 or older and meeting other requirements can make up to \$6,500 in additional catch-up contributions (up \$500 from 2019)

Travel Expenses

Mileage reimbursement rate is 57.5 cents/mile for business miles driven (reduce from 58 cents /mile in 2019)

De minimis fringes

In general, gross income does not include the value of a de minimis fringe provided to an employee. The term 'de minimis fringe' means any property or service the value of which is (after taking into account the frequency with which similar fringes are provided by the employer to the employer's employees) so small as to make accounting for it unreasonable or administratively impracticable. However, certain fringes are never considered de minimis as the actual value can easily be determined. Examples include Group-Term Life Insurance over \$50,000 coverage and cash gift cards since a specific value can be determined.

California State Disability Insurance

The State Disability (SDI) withholding rate for 2020 is 1 percent (the same as 2019); however, the taxable wage limit is \$122,909 for each employee per calendar year (up from \$ 118,371 in 2019)

The maximum to withhold for each employee is \$1,229.09 (up from \$1,183.71 in 2019)

Employer's Obligation for the Form W-4 and DE 4

Each employee must complete a Form W-4 for Federal and DE 4 California withholding and employers must retain the form for payroll records. If the Internal Revenue Services (IRS) instructs an employer to withhold federal income tax based on a certain withholding status, the employer is required to use the same withholding status for state income tax withholding. The form W-4 and DE 4 are considered invalid if either of the following two (2) conditions exist:

- The employee makes major changes to form W-4 or DE 4, such as crossing out words or writing more than is asked.
- The employee admits that Form W-4 or DE 4 is false.

IMPORTANT:

To maintain an exempt status, employees must file a new W-4 form each year on or before February 15th.

QCC Retro Module

QCC has the ability to create Retro Pay Lines through the Retro Module. Districts need to carefully define the criteria required in order to load RET pay lines as accurately as possible. The criteria should be run separately by group of employees.

For Example:	12 month	11 month	10 month
Bargaining Unit:	01	01	01
Employee Type:	01	01	01
Pay Code:	01	01	01
Pay Type:	NML	NML	NML
Pay Schedules:	EOMREG	E11XXX	E10XXX

Define:

- Bargaining Unit: Group of employees receiving retro

- Employee Type: 01 Certificated, 02 Classified

- Pay Code: 01 = 12 month, 02 = 11 month, 03 = 10 month

- Pay Type: NML for Normal Pay

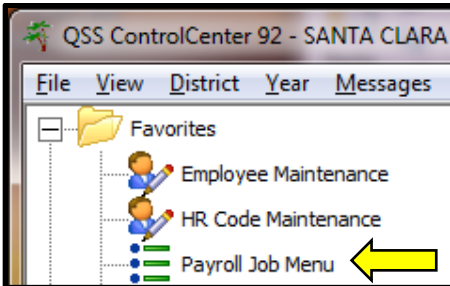
- Pay Schedule: Deferred Pay (**R**) and Benefits (**B**), **06** off June-July and **07** off July-August

- Once the criteria has been defined:
 - Run a PRT300 (Retroactive Payroll Analysis Report)
 - Verify all data to ensure the desired outcome is met
 - ❖ This process ensures minimal errors on the Retro pay lines

- If district decides to use the Retro module:
 - Contact TDSO 30 days in advance
 - Submit a Service Request to set-up the retro pay lines
 - Verify the accuracy of the data after the pay lines are loaded to the PR screen

QCC Retro Module (Cont'd)

1



2

Job Title	JCL Name
Request Payroll Prelists	PAYSUB.PAYSUB
Request Non-Pay Benefit Prelists	BENSUB.BENSUB
Request Retro-Pay Analysis Report (PRT300) (STD/ENH)	PRT300.PRTSUB

3

Report Selections SSN/Account Selections File Selections

For District: 92 - SANTA CLARA CNTY O

Source Year: 14

Position Number Range: 000000 - 999999

Include Terminated Employees: Include Start/End:

Include Cancelled Warrants: Include Payroll T:

Bargaining Unit:

Employee Type:

Pay Code:

Pay Type:

Pay Schedules:

Sta Ded Profiles:

4

Report Selections SSN/Account Selections File Selections Payroll Se

History From: to

Files:

5

Report Selections SSN/Account Selections File Selections Payroll Selections

Report Title:

Retro Percent 1: Sign: +

Retro Percent 2: Sign: +

Include Employee Totals: Page Break on Employee:

Build Pay Line Files: (Will use Retro Percent 1)

Target Year: 14 Pay Type: RET

Pay Schedule: Stat Ded Profile for PERS:

Starting Payroll Number: Ending Payroll Number:

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS)

CalPERS

The California Public Employees' Retirement System is an agency in the California executive branch that "manages pension and health benefits for more than 1.6 million California public employees, retirees, and their families".

Compensation *means* the compensation paid out of funds controlled by the employer in payment for the member's services performed during normal working hours. Pay rate and special compensation must be in salary schedules, ordinance, or similar documents that are available for public review.

Reference: California Government Code (G.C.) sections 20630 through 20636 of Public Employees' Retirement Law (PERL) define compensation earnable, pay rate, and special compensation.

CLASSIC Member - 2% @ 55, Contribution Rate 7%

- All existing CalPERS members as of December 31, 2012
- A member that has a break in service of more than six months but returns to service with the same employer
- All Schools are considered same employer
- Retirement benefit calculation is based on the highest 1-year of final compensation

PEPRA Member 01/01/2013 - 2% @ 62, Contribution Rate 7%

- A new hire who has no prior membership in any California public retirement system prior to January 1, 2013
- A member who first established CalPERS membership prior to January 1, 2013, and who is rehired by different CalPERS employer after a break in service of greater than six months
- All Schools are considered same employer
- Retirement benefit calculation is based on the 3-year average of final compensation

NOTE:

Reciprocity: CalPERS has an agreement with many California public retirement systems that allow an individual to move from one retirement system to the other without loss of benefits. These reciprocal agreements allow the individual to coordinate their benefits between the retirement systems when they retire. Currently, an employee must leave and enter into employment with a reciprocal public agency within six months to be eligible.

Reference: Government Code 7522.04

CalPERS Membership Eligibility

Mandatory Membership Eligibility – Time Base:

- Permanent Full-time (40 hours per week)
- Full-time for a temporary appointment of six months or longer
- Part-time, average at least 20 hours per week for one year or longer
- (20 hours x 52 weeks = 1040 hours) or 50% FTE

Reference: Government Code 20305

“Once a member, always a member”

EXCEPTION: If the member refunds CalPERS contributions, they will need to re-qualify.

Monitored Positions – Irregular Time Base:



Monitor for 1,000 hours in a fiscal year (July 1 – June 30), overtime hours are included in the 1,000 hour total. Active membership date **must be no later than** the first day of the following pay period in which 1,000 hours were completed.
PERS Circular 200-065-14

IMPORTANT:

- It is the employer’s responsibility to determine the eligibility of their employees to participate in CalPERS
- If an employer fails to enroll an eligible employee into CalPERS within 90 days of qualifying, the employer is required to pay all arrears, cost for member contributions, and **administrative costs of \$500.00 per member**
- The employer cannot pass on these costs to the employee due to untimely enrollment

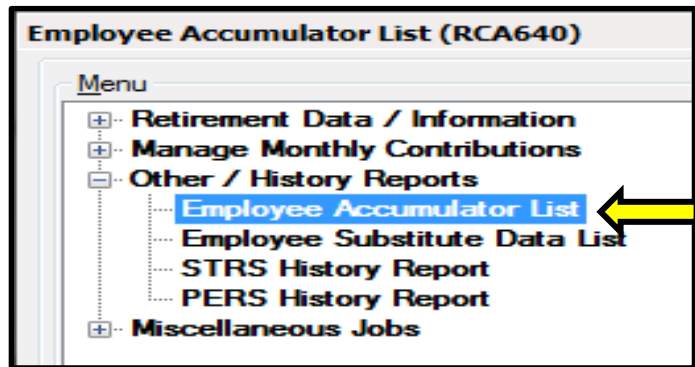
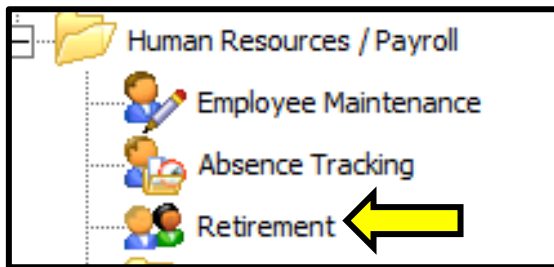
Reference: Government Code 20283

Accumulator Limit Report (RCA640) in QCC

Accumulator Limit Report consolidates hours or days worked for an employee by fiscal year. This report will assist with the identification of:

- Retired annuitants who cannot exceed 960 hours within a fiscal year.
- Classified non-members who are close to or has reached the 1,000 hours for CalPERS mandatory qualification.

Run the reports separately for tacking the retired annuitants and classified non-members.



Report Title:

Sort By: 1 - District/ Name

Optional Selection Criteria (Blank for all):

Days > : or Hours > :

District: (all districts)

Retirement System

Retirement Account Codes

Pay Codes:

Employees:

Criteria:

Retirement System (RS):

04 for PERS Retired

05 for Non-Member


Retirement Account Codes: **00**

Pay Codes:

02 & 12 for Classified

Notice of Exclusion (PERS-EAMD-139)

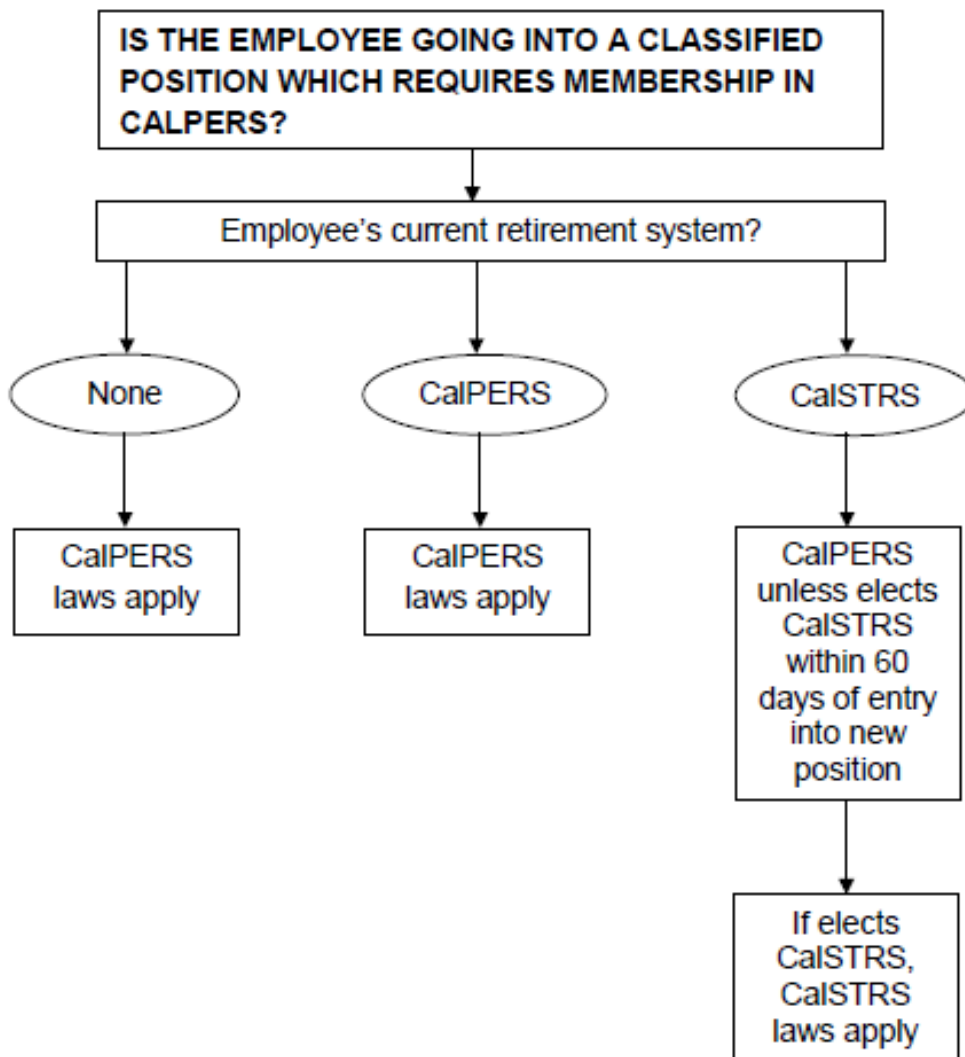
Notice of Exclusion form should be completed for each new employee who does not qualify for CalPERS membership, and should be kept in employee's personnel file, to protect the district in case of an audit.

				
California Public Employees' Retirement System 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				
NOTICE OF EXCLUSION FROM CalPERS MEMBERSHIP FOR PUBLIC AGENCY AND SCHOOLS				
Your employer has contracted with the California Public Employees' Retirement System (CalPERS) to provide an employee benefit package which includes service retirement, death, and disability benefits.				
Section 1. Employee Information				
Name: Last	First	Middle	DOB	CID
Section 2. Employer Information				
Name of Department		Division		Position Title
Term of Appointment		If Temporary, enter nearest number of whole months the appointment is expected to last.		Appointment Date
<input type="checkbox"/> Permanent	<input type="checkbox"/> Temporary			Months
Time Base				
<input type="checkbox"/> Full Time	<input type="checkbox"/> Intermittent	<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Part Time, if part time enter the fraction of full time:	
In your current position with this agency, you are excluded from CalPERS membership because:				
1. <input type="checkbox"/> Your full time seasonal or limited term appointment is limited to six months or less.				
2. <input type="checkbox"/> Your part time appointment is limited to less than an average of 20 hours per week for less than one year.				
3. <input type="checkbox"/> Your appointment is an on call, intermittent, emergency, substitute, or other irregular basis which excludes you from membership until you have worked 1,000 hours (or 125 days if paid on per diem basis) in a fiscal year (July 1-June 30).				
4. <input type="checkbox"/> Your position is excluded by law. Explain the exclusion that applies below:				
5. <input type="checkbox"/> You are an independent contractor.				
6. <input type="checkbox"/> You are employed to render professional legal service to a city. Exceptions include persons holding the office of city attorney, deputy city attorney, or assistant city attorney.				
7. <input type="checkbox"/> You are employed as a student assistant by a school district in a position established for students only while attending school in the same district. (This only applies to County Schools.)				
8. <input type="checkbox"/> You are a CalPERS retiree and have not reinstated from retirement.				
NOTE: If you are a CalPERS member from previous employment and have not terminated membership (taken a refund of your contributions and service credit) exclusions 1, 2, and 3 do not apply to you. You should qualify for membership immediately in your current position. Please notify your employer to complete your enrollment and report your employment to CalPERS.				
If you believe your employment <u>does</u> qualify you for CalPERS membership, ask your employer to provide you with an explanation. You can also contact CalPERS directly by sending a letter that provides the reasons why you feel you should be a member to the Employer Account Management Division, P.O. Box 942709, Sacramento, CA 94229-2709				
Signature of Certifying Officer		Title		Date
Signature of Employee			Date	
Note: Information regarding the benefits provided by CalPERS is available on the CalPERS website www.calpers.ca.gov .				
<i>The employer must retain this form in the employee's file for auditing purposes.</i>				
PERS-EAMD-139 Rev. 04/2020				

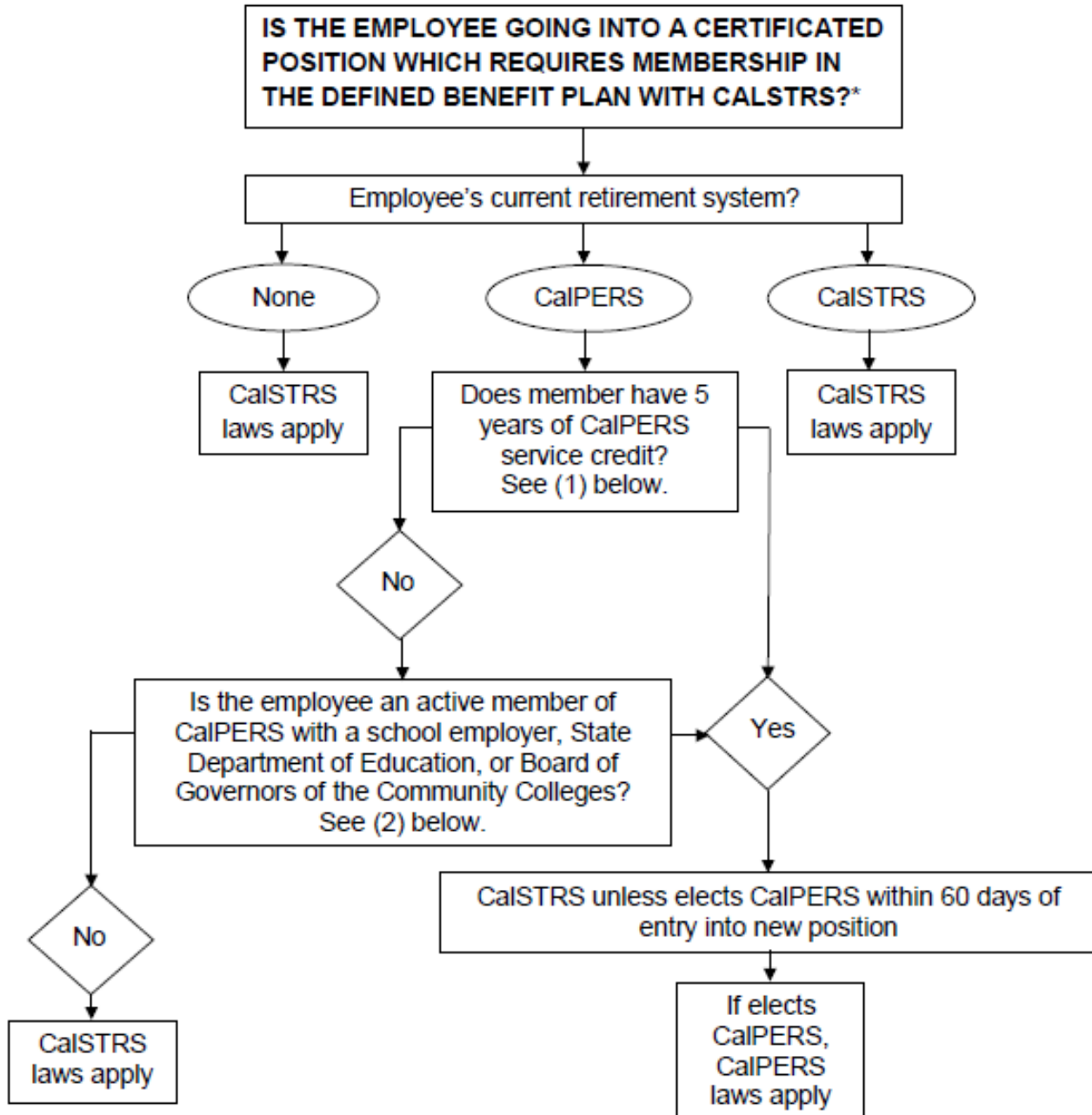
CalPERS/CalSTRS Retirement System Election

Many times employees change from one job to another and the retirement system chosen may be in question. If the new position qualifies for mandatory membership, employers are required to notify employees of their right to elect to stay with their retirement system within 10 days of hire date. Employees must understand the difference of each system’s default and fill out CalSTRS Form ES 372 accordingly. Refer to pages 81 - 82 for more guidance.

CalPERS/CalSTRS RETIREMENT SYSTEM ELECTION



CalPERS/CalSTRS Retirement System Election (cont'd)



*Substitute or part-time employment for employee who is not previously a CalSTRS member may not require membership. Please call CalSTRS prior to administering election.

- (1) G.C. section 20309 (Chapter 77, Stats. 2001) effective 1-1-2002
- (2) G.C. section 20309 (Chapter 880, Stats. 2000) effective 1-1-2001

CalPERS/CalSTRS Retirement System Election (cont'd)

Determine whether an employee qualifies for CalPERS/CalSTRS Retirement System Election

A CalPERS member accepts certificated position, but would like to stay in CalPERS. In order to be eligible for the retirement system election, the new position must qualify for mandatory membership.

- Does the employee have 5 years of CalPERS service credit?
 - ❖ If **YES**, complete CalSTRS form ES 372 to elect
 - ❖ If **NO**, check if the employee has a break in service of less than 120 days
 - If **YES**, complete CalSTRS form ES 372 to elect
 - If **NO**, employee does not qualify for the retirement system election

NOTE:

Use CalSTRS Form ES 372, **do not** use the CalPERS version

IMPORTANT:

- If a CalSTRS Member takes a classified position that **DOES NOT** meet the criteria for mandatory membership, then the retirement system election **DOES NOT** apply. Non-Member Classified earnings are **NOT** reportable to CalPERS (AC-P-C 00-0-0)
- If a CalPERS Member takes a certificated position that **DOES NOT** meet the criteria for mandatory membership, then the retirement system election **DOES NOT** apply. Non-Member Certificated earnings **ARE** reportable to CalSTRS. Refer to page 98 for proper coding.
 - However, the employee **DOES** have the option to elect membership via Permissive Election form ES 350 for this certificated position.
 - Substitute Teachers who qualify under the 100 days or 600 hours **DO NOT** have the option to elect retirement systems; they will default into CalSTRS membership.

Reference: CalPERS Circular Letter No.: 200-011-18

my | CalPERS Access

District staff must register with DBAS in order to gain access to my | CalPERS On-Line. The process is as follows:

1. Obtain CalPERS On-Line Access Request Form from your accounting specialist.
2. Complete the form with the district supervisor's approval.
3. Submit the signed form to your accounting specialist.
4. Upon DBAS' approval, the user will receive an email with CalPERS User ID and Temporary Password.

CalPERS On-Line Access Request Form
Form must be completed entirely

Date: _____

Name: _____
Last
First

Employee ID: _____ SSN: _____
Dependent Districts Only
Independent Districts Only

Phone No: _____ Dist #: _____

Email: _____

Access Request:

Business Partner Employer Inquiry

Business Partner Payroll RO*

Business Partner Retirement Enrollment

Business Partner Retirement Enrollment RO*

Employee Name (Print) Signature Date

Remove CalPERS On-Line Access:

Employee Name: _____

Supervisor Name (Print) Signature Date

Email completed forms to your service team specialist

*RO - Read Only 3/4/2019

NOTE:

To inactivate terminated employees' CalPERS access, this form must be completed and submitted to DBAS.

Procedure for Setting-up CalPERS Membership

1. Verify CalPERS membership status at:
<https://my.calpers.ca.gov/web/ept/public/systemaccess/selectLoginType.html>
2. Click on the Business Partner radial button and Continue to log in.
3. From my|CalPERS home page, select *Person Information* tab, enter SSN, and click on search.

my|CalPERS

Home Profile Reporting Person Information Education Other Organizations

Person Search

Please enter the Social Security Number or CalPERS ID of the person for whom you are searching.

SSN / Federal or Individual Tax ID:

CalPERS ID:

Search

4. If the employee is a **CalPERS Member**, you will be prompted to enter *Anticipated or Actual Hire Date*.

my|CalPERS

Home Profile Reporting Person Information Education Other Organizations

*Required Fields

Hire Date

Please enter the anticipated or actual hire date for the person you are searching for. By entering this information, you acknowledge that all Participant employee information accessible to you will be used only to assist you for employee enrollment purposes.

Anticipated or Actual Hire Date:*

Continue

5. Click continue, the next page will display a CalPERS ID that has already been assigned to this employee.

my|CalPERS

Home Profile Reporting Person Information Education Other Organizations

Summary Health Enrollment

Common Tasks

Menu

Contributory Appointment History

Summary

Profile

Name:

CalPERS ID:

Prior School Membership: No

Member: No

Membership Date:

ARP: No

5 Year Service Credit: No

Last Reporting Date:

Optional Member: No

Prior School Membership Date:

Retired: No

Retirement Date:

ARP Effective Date:

Procedure for Setting-up CalPERS Membership (Cont'd)

6. Therefore, **add an Appointment ID only** for your district, with effective date matching hire date.
 - A unique Appointment ID is required for each district the employee works for.
7. If the employee has **never been a CalPERS member**, there will be no record of them in CalPERS.

The screenshot shows the 'myCalPERS' interface. At the top, there are navigation tabs: Home, Profile, Reporting, Person Information, Education, and Other Organizations. The 'Person Search' section is active, displaying a search form with the following fields:

- SSN / Federal or Individual Tax ID: 432918612
- CalPERS ID: (empty)

 A 'Search' button is located below the form. Below the search results, a table header is visible with columns for 'CalPERS ID', 'Name', and 'Date of Birth'. The table content shows 'No results found.' A yellow arrow points to this text.

8. Therefore, **set them up as a new member** to obtain a CalPERS ID.

The screenshot shows the 'myCalPERS' interface with the 'Reporting' tab selected and highlighted in red. The user's profile information is visible: Name: Santa Clara County Schools, CalPERS ID: 4808924344. In the 'Create or Edit Report' section, the 'Method' dropdown menu is set to 'Add Retirement Enrollment'. A yellow arrow points to the 'Continue' button next to the dropdown.

9. Then, **add an Appointment ID** for your district.
10. After the membership setup is complete, go back to the *Person Information* tab:
 - Determine whether the employee is a **CLASSIC** member or a **PEPRA** member with CalPERS.
 - Set them up accordingly in QCC. Refer to pages 45 - 46 for reference.

IMPORTANT:

- If the employee is a **CalPERS member** with another school district, start reporting payroll to CalPERS immediately regardless of the time base.
- Before adding an employee's appointment ID, district must check my|CalPERS for existing appointment ID. A duplicate appointment ID (different appointment ID number, but same start date) will cause an error when uploading retirement contribution data to CalPERS. The system does not know which appointment ID the contributions should be applied to.

CLASSIC or PEPRA

In this example, we have an employee with membership date of 01/06/2003. This employee is new to your district but is still considered **CLASSIC** (contributing appointment date 08/15/2013). Set up the employee's W4 screen as a **CLASSIC** member.

my|CalPERS Person Information Screen

Appointment Details

Programs

Program: CalPERS	Membership Date: 01/06/2003
Retirement System: CalPERS	Enrollment Eligibility Date: 08/15/2013
Membership Status: Active	

Position Information

Employer: Santa Clara County Schools	CalPERS ID (Employer): <input type="text"/>
Division: <input type="text"/>	CalPERS ID (Division): <input type="text"/>
Original Hire Date: 08/15/2013	
Member Category: Miscellaneous	Work Calendar: Work 10 Months/Paid 10 Months
Position Title:	Temporary Position: No
CBU: -	Is member subject to local Alternate Retirement Plan (Gov Code Section 20306)? No
Retired Annuitant: No	Appointment ID: <input type="text"/>
Contributing Appointment: Yes	Contributing Appointment Date: 08/15/2013
Appointment Status: Active	Leave Type:
Enrollment Level: Classic	Formula Name: 2% at 55 State, School Miscellaneous and Industrial
Member Base Rate: 7.0	Cost Share: 0.0
Contribution Modification:	
Created by User: Employer	
Created on: 10/30/2013	
Appointment Profile Last Refreshed: 10/30/2013	Refunded Appointment: No

QCC W-4 Screen

Control Information

Check sort: 1120 - DISTRICT BUS&ADV SERS ADMIN NJ	Alt check sort: 1118 - DISTRICT BUSINESS&ADVISORY JS
Pay code: 02 - CLASSIFIED SALARIED	Primary RS: 02 - PERS CLASSIFIED RETIREMENT Unit: 000
Ret code: 08-1-1	Secondary RS: 00 - NO CODE Unit: 000
Pay schedule: EOMREG - EOM 12MOS DS-REG	Statutory ded: TFSP - FIT SIT FICA SDI PERS
DPO: N SUI: 1 - Regular funding	EIC: <input type="text"/> Sub: 0 - Not sub Def Pay Bal: 0.00
Control group: LN - EMPLOYEES L-N	

CLASSIC or PEPRA (Cont'd)

In this example, we have an employee with membership date of 08/15/2013. This employee is new to my|CalPERS and has never been a member of any public retirement system. Set up the employee's W4 screen as a PEPRA member.

my|CalPERS Person Information Screen

Appointment Details	
Programs	
Program: CalPERS	Membership Date: 08/15/2013
Retirement System: CalPERS	Enrollment Eligibility Date: 08/15/2013
Membership Status: Active	
Position Information	
Employer: Santa Clara County Schools	CalPERS ID (Employer): <input type="text"/>
Division: <input type="text"/>	CalPERS ID (Division): <input type="text"/>
Original Hire Date: 08/15/2013	Work Calendar: Work 10 Months/Paid 12 Months
Member Category: Miscellaneous	Temporary Position: No
Position Title:	Is member subject to local Alternate Retirement Plan (Gov Code Section 20306)? No
CBU: -	Appointment ID: <input type="text"/>
Retired Annuitant: No	Contributing Appointment Date: 08/15/2013
Contributing Appointment: Yes	Leave Type:
Appointment Status: Active	Formula Name: 2% @ 62 Formula for Miscellaneous/Industrial Members
Enrollment Level: PEPRA New	Cost Share: 0.0
Member Base Rate: 6.0	
Contribution Modification:	
Created by User: Employer	
Created on: 07/24/2013	
Appointment Profile Last Refreshed: 07/24/2013	Refunded Appointment: No

QCC W4 Screen

Control Information			
Check sort: 1120 - DISTRICT BUS&ADV SERS ADMIN NJ	Alt check sort: 1118 - DISTRICT BUSINESS&ADVISORY JS		
Pay code: 02 - CLASSIFIED SALARIED	Primary RS: 12 - PEPRA CLASSIFIED WITH OASDI	Unit: 000	
Ret code: 08-1-1	Secondary RS: 00 - NO CODE	Unit: 000	
Pay schedule: EOMREG - EOM 12MOS DS-REG	Statutory ded: TFSP - FIT SIT FICA SDI PERS		
DPO: N	SUI: 1 - Regular funding	EIC: <input type="text"/>	Sub: 0 - Not sub
Control group: LN - EMPLOYEES L-N		Def Pay Bal: 0.00	

Other Employer Responsibilities for CalPERS Members

Update my|CalPERS of any changes to employees' employment status:

- Unpaid Leave of Absence
- Permanent Separation
- Address Change
- Name Change
- Position Change

IMPORTANT:

The separation date is now part of a series of system validations. Therefore, the separation date must be reported to my|CalPERS **immediately**, as the day *after* the last day an employee works for your district.

1. From my|CalPERS home page, select *Person Information* tab, enter SSN, and click on search
2. Select Employer (district requiring separation), next to *Appointment Event History* click on **Add New**
3. Select type of change under the Event drop down menu

The screenshot displays the my|CalPERS interface. At the top, there are navigation tabs: Home, Profile, Reporting, Person Information, Education, and Other Organizations. Below these are sub-tabs for Summary and Health Enrollment. A left-hand menu lists various options: Common Tasks, Menu, Appointment History, Payroll Information, Member Elections, Contributory, and Appointment History. The main content area shows 'Member Details' with fields for Name, Gender (Female), CalPERS ID (4946076351), and Date of Birth (10/27/1970). Below this is the 'Appointment Event Details' section, which contains two required fields: 'Event:*' (a dropdown menu) and 'Event Date:*' (a date picker). A yellow arrow points to the 'Event:*' dropdown. At the bottom of the form, there are 'Save' and 'Clear' buttons. A red asterisk label '*Required Fields' is visible in the top right corner of the form area.

Reference: CalPERS Circular Letter No: 200-070-11

Procedure for Adding a Retired Annuitant

When a retired CalPERS member returns to employment with a CalPERS employer while receiving a retirement allowance, CalPERS requires school employers to enroll a retired member within 30 days of the effective date of hire and report the pay rate and the number of hours worked by a retired annuitant. CalPERS retirees cannot be hired into permanent or regular position without reinstatement from retirement.


IMPORTANT:

Failure to fulfill CalPERS requirements will result in a fee of \$200.00 per retired member per month until the retired member is enrolled and the payroll information is reported.

1. Log in to myCalPERS online
2. Click [Accept](#)
3. Select [Person Search](#) from the Home page
4. Enter either the SSN or CalPERS ID and click [Search](#)
5. Select [Add New](#) (next to the Appointment History from the Person Information page)
6. Fill in all fields and make sure to select **YES for Retired Annuitant**

Appointment Details

Program
 Program: CalPERS Enrollment Eligibility Date: CPE *

Position Information
 Employer: Santa Clara County Schools CalPERS ID (Employer): 4808924344
 Division: CalPERS ID (Division): 0
 Original Hire Date: *
 Member Category: *
 Position Title: [Update](#)
 Work Calendar: * **Work 12 Months/Paid 12 Months**
 Retired Annuitant? * Yes  No Temporary Position? * Yes No
 CBU:
 Refunded Appointment * Yes No

Reciprocity
 Reciprocal Member Indicator: Yes No

7. Click [Save](#)

CalPERS Membership Codes for W4 Screen

Primary RS (Retirement System) Determined by Eligibility:

- 02 = CLASSIC Member
- 12 = PEPRA New Member with OASDI
- 04 = Retired
- 05 = Non-Member or Alternative Retirement

QCC W4 Screen

Control Information	
Check sort: 1120 - DISTRICT BUS&ADV SERS ADMIN NJ	Alt check sort: 1118 - DISTRICT BUSINESS&ADVISORY JS
Pay code: 02 - CLASSIFIED SALARIED	Primary RS: 02 - PERS CLASSIFIED RETIREMENT
Ret code: 08-1-1	Secondary RS: 00 - NO CODE
Pay schedule: EOMREG - EOM 12MOS DS-REG	Statutory ded: 01 - STRS CERTIFICATED RETIREMENT
DPO: N SUI: 1 - Regular funding	EIC: 02 - PERS CLASSIFIED RETIREMENT
Control group: LN - EMPLOYEES L-N	03 - STRS RETIRED
Ret rate: 0.000000 Member ID:	04 - PERS RETIRED
User def (1): DD=Y (2) DENTAL (3) (4) (5)	05 - NON-MEMBER OR ALTERNATIVE RET
Pending ret:	12 - PEPRA CLASSIFIED WITH OASDI
	22 - PEPRA CLASSIFIED NON-OASDI
	SMF status/date:

PERS Contribution Rates for 2020-21

- **CLASSIC:** EE 7% ER 20.70%
- **PEPRA:** EE 7% ER 20.70%

<u>Employer Rate</u>	<u>Effective Date</u>
18.062%	FY2018-19
19.721%	FY2019-20
20.70%	FY2020-21

PERS AC-P-C Codes for W4 and PR Screens

AC = Assignment Code

- 08 = Member
- 00 = Reportable only for retired annuitants
- 00 = **Survivor Benefit for District 90 only

P = Pay Code

- 0 = Non-Reportable
- 1 = Monthly Rate
- 4 = Hourly Rate
- 8 = Daily Rate

C = Contribution Code

- 0 = Non-Reportable
- 1 = Current Month: Member Contributions
- 3 = Arrears: Prior Period EARNINGS Adjustment, ***DOES Generate Service Credit***
- 5 = Retro: Ret. Base/Pay Rate Change, ***DOES NOT Generate Service Credit***
- 6 = Special Compensation, ***DOES NOT Generate Service Credit***
- 7 = Current Month for Retired Annuitants
- 8 = Arrears for Retired Annuitants

PERS Guide on Statutory Deductions (St-Ded)

St-Ded field may contain up to 6 characters:

- 1st character **T:** Federal & State Taxes
- 2nd character **F:** Social Security & Medicare
 M: Medicare Only
- 3rd character **S:** State Disability
 N: No State Disability

- 4th - 6th characters **PERS Contributions**, please see chart below for options:

St-Ded Profile Characters: 4, 5, & 6	
P	PERS Tax-Deferred
PT	PERS Taxable
PS	PERS Survivor Benefit Tax-Deferred, one time election in 1986 in lieu of Social Security & Medicare
PST	PERS Survivor Benefit Taxable, one time election in 1986 in lieu of Social Security & Medicare
PERO	PERS Report Only, No Contributions
P70	PERS Employer Paid Member Contributions 7%
PXX	PERS EPMC where XX = % District Pays, Tax-Deferred
PXT	PERS EPMC where X = % District Pays, Taxable
N	No Contributions, Non-Reportable
PAR	Alternative Retirement PARS, requires 8XXX Vol-Ded
ING	Alternative Retirement ING, requires 8XXX Vol-Ded
APP	Alternative Retirement APPLE, requires 8XXX Vol-Ded

All employees must be reported with Tax-Deferred (P) contributions unless:

- District has a MOU with CalPERS that stipulates Taxable (**PT**) contributions
- **The MOU must apply to a class of employees**
 - ❖ Cannot be for a single employee
- **All pay lines must be reported consistently as Taxable**
 - ❖ Do not report a combination of Taxable and Tax-Deferred pay lines

PERS St-Ded for W4 and PR Screens

TFSP - PERS Member RS: 02 or 12

T: State & Federal
F: Social Security & Medicare
S: SDI
P: Taxed Deferred (Non-Taxable)

TFNP - PERS Member RS: 02 or 12

T: State & Federal
F: Social Security & Medicare
N: No SDI
P: Taxed Deferred (Non-Taxable)

TFSPPT - PERS Member RS: 02 or 12

T: State & Federal
F: Social Security & Medicare
S: SDI
PT: Taxable Contributions

TFNPPT - PERS Member RS: 02 or 12

T: State & Federal
F: Social Security & Medicare
N: No SDI
PT: Taxable Contributions

TFSEX - PERS Member RS: 02 or 12

T: State & Federal
F: Social Security & Medicare
S: SDI
XX: Last 2 characters determined by district, depending on Bargaining Unit

TFNEX - PERS Member RS: 02 or 12

T: State & Federal
F: Social Security & Medicare
N: No SDI
XX: Last 2 characters determined by district, depending on Bargaining Unit

TFPERO - PERS Retiree RS: 04

T: State & Federal
F: Social Security & Medicare
PERO: PERS Report Only

TFNNO - PERS Non-Member RS: 05

T: State & Federal
F: Social Security & Medicare
N: No SDI
N: No Contributions, Non-Reportable

PERS Guide on AC-P-C Code Combinations

Members – Primary RS: 02 or 12, St-Ded: Determined by district

	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base/Pay Rate</u>
Monthly Contract	08-1-1	08-1-3	08-1-5	Monthly
Substitutes Hourly	08-4-1	08-4-3	08-4-5	Hourly
Substitutes Daily	08-8-1	08-8-3	08-8-5	Daily
Part-Time Hourly	08-4-1	08-4-3	08-4-5	Hourly
Part-Time Daily	08-8-1	08-8-3	08-8-5	Daily
Special Comp (Monthly)	08-1-6	08-1-6*	08-1-6*	Monthly
Special Comp (Hourly)	08-4-6	08-4-6*	08-4-6*	Hourly
Special Comp (Daily)	08-8-6	08-8-6*	08-8-6*	Daily
Non-Reportable	00-0-0	00-0-0	00-0-0	Monthly, Hourly, or Daily i.e. Overtime Earnings

IMPORTANT:

***Special Comp ARREARS and RETRO:** The corresponding dates are required on the pay line.

Non Members – Primary RS: 05, St-Ded: TFNN

	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base/Pay Rate</u>
Non-Reportable	00-0-0	00-0-0	00-0-0	Monthly, Hourly, or Daily

NOTE:

- The compensation limit for **Classic members** for the 2020 calendar year is \$285,000. Employees with membership dates prior to July 1, 1996, are not impacted by these limits.
- The compensation limit for **PEPRA members** for the 2020 calendar year is \$126,291 (Social Security Participants) and \$151,549 (Non-Social Security Participants).

Reference: CalPERS Circular Letter: 200-001-20

Reporting a Retired Annuitant’s Payroll Information to CalPERS

Retirees – Primary RS: 04, St-Ded: TFPERO

	<u>CURRENT</u>	<u>ARREARS</u>	<u>Ret. Base/Pay Rate</u>
Report Only	00-4-7	00-4-8	Hourly

IMPORTANT:

- **A 960-hour work restriction** applies to all retirees per fiscal year
- **A 180-Day Wait Period** is required to return to work for anyone that retired after 01/01/2013
 - For 180-Day Wait Period Exception, refer to GC 7522.56(f)(1)
- Assembly Bill (AB) 1522 excludes retired annuitants from being eligible for sick leave.
Reference: CalPERS Circular Letter No: 200-038-15

Special Compensation Categories and Types

As per CCR 571 (a) and (b), Special compensation shall be limited to that which is received by a member pursuant to a labor policy or agreement to similarly situated members of a group or class of employment and is reported in addition to and separately from pay rate. (Refer to pages 56 - 57 for a detailed description).

REPORTABLE:	CLASSIC	PEPRA
INCENTIVE PAY		
Bonus (BON)	X	
Longevity Pay (LLP)	X	X
Off-Salary-Schedule Pay (OSP)	X	
Value of EPMC (VEP)	X	
EDUCATIONAL PAY		
Educational Incentive (EEI)	X	X
Undergraduate/Graduate/Doctoral Credit (UGD)	X	X
PREMIUM PAY		
Temporary Upgrade Pay (Out of Class) (TUP)	X	
SPECIAL ASSIGNMENT PAY		
Bilingual Premium (BBP)	X	X
Confidential Premium (CCP)	X	X
Lead Worker/Supervisor Premium (LWP)	X	X
Paramedic Coordinator Premium (PCP)	X	X
Severely Disabled Premium (SDP)	X	X
Shift Differential Premium (SDD)	X	X
School Yard Premium (SYP)	X	X
Training Premium (TPP)	X	X
STATUTORY ITEMS		
Holiday Pay (HPP)	X	X
Uniform Allowance (UAA)	X	

Special Compensation Categories and Types (Cont'd)

1. INCENTIVE PAY

- **Bonus**: Compensation to employees for superior performance such as “annual performance bonus” and “merit pay.” A program or system must be in place to plan and identify performance goals and objectives. If provided only during a member’s final compensation period, it shall be excluded from the final compensation as “final settlement” pay.
- **Longevity Pay**: Additional compensation to employees who have been with an employer, or in a specified job classification, for a certain minimum period of time exceeding five years.
- **Off-Salary Schedule Pay**: Compensation in addition to base salary paid in similar lump-sum amounts to a group or class of employees. These payments are routinely negotiated through collective bargaining in lieu of increases to the salary schedule. These payments are based on a similar percent of scheduled salary not to exceed six percent (6%) per fiscal year. The contracting agency or school employer may adopt similar action for non-represented groups or classes of employment as were negotiated through collective bargaining.
- **Value of EPMC**: The full monetary value of employer-paid member contributions (EPMC) paid to CalPERS and reported as an item of special compensation on behalf of all members in a group or class.

2. EDUCATIONAL PAY

- **Educational Incentive**: Compensation to employees for completing educational courses, certificates, and degrees which enhance their ability to do their job. A program or system must be in place to evaluate and approve acceptable courses. The cost of education that is required for the employee’s current job classification is not included in this item of special compensation.
- **Undergraduate/Graduate/Doctoral Credit**: Compensation to school district employees who are required to obtain a specified degree.

3. PREMIUM PAY

- **Temporary Upgrade Pay**: Compensation to employees who are required by their employer, or governing board or body, to work in an upgraded position/classification of limited duration.

Special Compensation Categories and Types (Cont'd)

4. SPECIAL ASSIGNMENT PAY

- **Bilingual Premium**: Compensation to employees who are routinely and consistently assigned to positions requiring communication skills in languages other than English.
- **Confidential Premium**: Compensation to rank and file employees who are routinely and consistently assigned to sensitive positions requiring trust and discretion.
- **Lead Worker/Supervisor Premium**: Compensation to employees who are routinely and consistently assigned to a lead or supervisory position over other employee's subordinate classifications or agency-sponsored program participants.
- **Paramedic Coordinator Premium**: Compensation to paramedics who are routinely and consistently assigned to coordinate training activities in auxiliary medical techniques.
- **Severely Disabled Premium**: Compensation to school instructional aides who are routinely and consistently assigned to work with severely disabled students.
- **Shift Differential Premium**: Compensation to employees who are routinely and consistently scheduled to work other than a standard "daytime" shift, e.g. graveyard shift, swing shift, shift change, rotating shift, split shift, or weekends.
- **School Yard Premium**: Compensation to part-time school district employees who are routinely and consistently assigned to supervise students during recreation.
- **Training Premium**: Compensation to employees who are routinely and consistently assigned to train employees.

5. STATUTORY ITEMS

- **Holiday Pay**: Additional compensation for employees who are normally required to work on an approved holiday because they work in positions that require scheduled staffing without regard to holidays. If these employees are paid over and above their normal monthly rate of pay for approved holidays, the additional compensation is holiday pay and reportable to CalPERS.
- **Uniform Allowance**: Compensation paid or the monetary value for the purchase, rental and/or maintenance of required clothing, including clothing made from specially designed protective fabrics, which is a ready substitute for personal attire the employee would otherwise have to acquire and maintain. This excludes items that are solely for personal health and safety such as protective vests, pistols, bullets, and safety shoes.

DBAS - PAYROLL & RETIREMENT 2020-21

Reporting Special Compensation Categories and Types

Only special compensations listed in the CCR 571(a) and meeting the criteria listed in CCR 571 (b) are reportable. If the special compensation item is not included in the exclusive list, it is not reportable for retirement purposes.

IMPORTANT:

- All special compensation is required to be reported separately from pay rate as special compensation, as it is earned.
- Do not report special compensation prospectively, it must be reported for the pay period in which it was earned.
- Special compensation shall be for services rendered during normal working hours, and the employer shall identify the pay period in which the special compensation was earned.
- Special compensation cannot be reported without regular earning.

Special compensation does not include final settlement pay, payments made for additional services rendered outside normal working hours, or any other payments the CalPERS Board of Administration has not affirmatively determined to be special compensation.

Any pay type coded with AC-P-C: [08-1-6](#), [08-4-6](#), [08-8-6](#) in QCC Pay Line (PR) screen should have the appropriate pay type and special compensation type (PSCT field value). * Pay type encumbered

PAY TYPE	PSCT FIELD VALUE	PAY TYPE	PSCT FIELD VALUE
BLG	BILINGUAL PREM (BBP)	NIT	SHIFT DIFF (SDD)
BLGN*	BILINGUAL PREM (BBP)	NITN*	SHIFT DIFF (SDD)
BNUS	BONUS (BON)	OSSP	OFF SAL SCH (OSP)
CONF	CONFIDENTIAL (CCP)	OUT	TEMP UPGRADE (TUP)
DEGN*	UGD CREDIT (UGD)	PMC	PARAMEDIC COORD (PCP)
EDI	EDUC INCENT (EEI)	PMCN*	PARAMEDIC COORD (PCP)
EDIN*	EDUC INCENT (EEI)	SVRD	SEVERELY DISABL (SDP)
EPMC	VALUE ER PAID (VEP)	SVRN*	SEVERELY DISABL (SDP)
HOL	HOLIDAY PAY (HPP)	TRNG	TRAINING (TTP)
LOGN*	LONGEVITY PAY (LLP)	UNF	UNIFORM ALLOW (UAA)
LWS	LEAD WRKR/SUPVR (LWP)	YRD	SCHOOL YARD P (SYP)

QCC Pay Line (PR) Screen Sample:

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC	PSCT
▼	250.17	1.00	L ▼	P ▼	250.17	LOGN ▼	TFNP ▼			10,006.65	08	1	6		LONGEVITY PAY (▼

NOTE: Do not use the generic pay types MISC and SPC for any special compensation that is reportable to CalPERS.

Out-of-Class Appointment Limitations and Penalties

Assembly Bill (AB) 1487 became effective January 1, 2018 (adding Government Code section 20480) prohibits school districts from making a limited term out-of-class appointment exceeding 960 hours each fiscal year. This applies to both Classic and Public Employees' Pension Reform Act (PEPRA) members.

Per G.C. section 20480, out-of-class is defined as an appointment to an upgraded position or higher classification by an employer or governing board in a vacant position for a limited duration.

- A vacant position refers to a position that is vacant during recruitment for a permanent appointment.
- A vacant position **does not** refer to a position that is temporarily available due to another employee's leave of absence.

District's Responsibilities:

- Track hours worked per fiscal year for each vacant position occupied by an employee working out-of-class.
- Report all hours worked in vacant position(s) to CalPERS by **July 30** each year.
- Make timely payments of penalties resulting from G.C. section 20480.
- Ensure that out-of-class appointments of a limited term duration is in accordance with a collective bargaining agreement or a publicly available pay schedule.

Penalties:

- School districts who violate the provision must make payments to CalPERS equal to three (3) times the employee and employer contributions that would otherwise be paid to CalPERS for the difference between the compensation paid for the out-of-class position and the compensation paid and reported to CalPERS for the member's permanent position. The penalty shall be applied for the entire period(s) the member serves in an out-of-class appointment.
- Pay an additional fee of \$200.00 to cover administrative expenses.

NOTE: Employees working out-of-Class shall bear no liability, obligation, or expense as a result of the unlawful actions of the employer with respect to G.C. section 20480.

Out-of-Class Appointment Limitations and Penalties (Cont'd)

Out-of-Class vs Temporary Upgraded Pay

Employee who is required by the employer or governing board to work in:		Upgraded position that is vacant during recruitment for a permanent appointment (AB 1487; G.C. section 20480)		OR	Upgraded position that is temporarily available due to another employee's leave of absence	
Requirements:	Require employee works 100% in an upgraded position	Yes			Yes	
	Require employer to track the hours worked per fiscal year for both Classic and PEPR member (limited to 960 hours)	Yes			No	
	Report hours worked to CalPERS by July 30	Yes			No	
District reports employee's earnings as:		Out-of-Class	Temporary Upgraded Pay (Special Compensation)		Out-of-Class	Temporary Upgraded Pay (Special Compensation)
Payroll Reporting:	Employee gets the full pay rate of an upgraded position	AC-P-C: 8-1-1 Pay type: OUTN	N/A		AC-P-C: 8-1-1 Pay type: OUTN	N/A
	In addition to the regular earnings, employee also gets a portion (usually by a certain percentage) of the difference between the pay rate of an upgraded position and the pay rate of the regular position.	N/A	AC-P-C: 8-1-6 Pay Type: TUP PSCT Value: TUP <i>Reported for Classic Member Only</i>		N/A	AC-P-C: 8-1-6 Pay Type: TUP PSCT Value: TUP <i>Reported for Classic Member Only</i>

Common Misreported Items of Compensation

Longevity Pay

- The most common misreporting of Longevity Pay is when agencies combine this item with other criteria, such as employee performance.

Uniform Allowance

- The first common reporting error is when agencies do not report the monetary value of uniforms provided.
- The second common reporting error regarding Uniform Allowance is when agencies report this special compensation for unqualified items.

Temporary Upgrade Pay

- The most common misreporting of Temporary Upgrade Pay is when agencies report this item for employees who are only taking on a portion of an upgraded position while continuing to do their current duties.

Final Settlement Pay

- A common misreporting of compensation is when agencies report amounts in the form of severance packages or 'golden parachutes' that are typically paid in the member's final year of service prior to retirement.

Reference: CalPERS Circular Letter No: 200-064-14 and DBAS Bulletin: 15-024

Earnings NOT Reportable to CalPERS

- Overtime
- Travel and Cellular Phone stipend
- Cash in lieu of benefit
- Vacation and Sick leave pay off
- Legal settlement
- Retirement incentive
- Non-member earnings
- Certificated earnings (unless elected CalPERS)

PERS Off-Salary-Schedule Pay

California Code of Regulations (CCR) Section 571(a) defines Off-Salary-Schedule Pay as:

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

- Reportable **only** for classic members and **only** when a pay increase has **not** been granted in the same fiscal year
- Not reportable for PEPRA members
- May not exceed 6% of scheduled salary per fiscal year

Examples of when Off-Salary-Schedule Pay is not reportable or only partially reportable:

1. Group A – Receives pay increase effective 7/1/16
Group A – Receives Off-Salary-Schedule Pay for fiscal year 16/17

(Off-Salary-Schedule Pay is not reportable because it is only reportable in lieu of a pay increase for each fiscal year)

2. Group A – Received pay increase effective on 7/1/15
Group A – Receives retro-active Off-Salary-Schedule Pay for the 15/16 fiscal year

(Off-Salary-Schedule Pay is not reportable because it is only reportable in lieu of a pay increase for each fiscal year)

3. Group A – Receives no pay increase on 7/1/16
Group A – Receives 8 percent (8%) Off-Salary-Schedule Pay for fiscal year 16/17

(Off-Salary-Schedule Pay is reportable because the group did not receive a pay increase in the 16/17 fiscal year, but only 6 percent of the 8 percent of Off-Salary-Schedule Pay can be reported because Off-Salary-Schedule Pay cannot exceed 6 percent per fiscal year)

Reference: CalPERS Circular Letter No: 200-048-16

PERS – When to Issue a RETRO

When an employees' Ret. Base/Pay Rate changes due to:

- An approved and ratified collective bargaining agreement between School District Boards and Collective Bargaining Units
- A change in Step and Column

Example: A 10 month employee is receiving a 5% pay increase in January 2014 that retro's from September 2013 to December 2013

$$\frac{\text{New Rate} - \text{Old Rate}}{\text{RET Amount X \# of Months}} = \text{RET Amount to be issued}$$

$$5,730.00 - 5,491.25 = 238.75 \quad \times \quad 4 \text{ months} = 955.00 \text{ Retro Amount}$$

AC-P-C code 08-1-5 with the **NEW Ret. Base/Pay Rate**

Pay Rate					
NEW	OLD	EARNINGS	FTE	RETRO	Service Period
5,730.00	5,491.25	5,491.25	.100	238.75	SEPT
5,730.00	5,491.25	5,491.25	.100	238.75	OCT
5,730.00	5,491.25	5,491.25	.100	238.75	NOV
5,730.00	5,491.25	5,491.25	.100	238.75	DEC
Total Retro			Amount	955.00	

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC
	955.00	0.00	IZ	P	0.00	RET	TFSP			5,730.00	08	1	5	
Adjustment >	0.00	0.00			0.00	RET				0.00	08	1	5	
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid					
	E10B07	0.00	1		09/01/2013	12/31/2013		0.00 / 00	1,250.00					

IMPORTANT:

- Date should always cover the pay period for which the retro is being issued.
- Keep in mind your late/change/term contract and add date accordingly.
- Confirm that Pay Schedule corresponds to contracted position i.e. E10B07 for 10 month contract.
- Retro amount is driven by earnings received (FTE %).
- Districts can now report Retro for two different pay rates, as long as the new pay rate is higher than the lowest pay rate of the two positions.

PERS – When to Issue ARREARS

When there is a change in FTE (paid at higher/lower amount not due to change in Ret. Base/Pay Rate), contribution code 3 is used to report corrections to prior period earnings.

Create a separate pay line for each arrears pay period (month) so that service credit can be posted properly to the member’s account, e.g. one pay line for January’s arrear, one pay line for February’s arrear, another pay line for March’s arrear, etc.

PR Screen Sample: **ARR to January**

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC
▼	280.00	0.00	LZ ▼	P ▼	0.00	ARR ▼	TFSP ▼			5,465.00	08	1	3	
▼	0.00	0.00			0.00	ARR ▼				0.00	08	1	3	
Name		Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid				
		EOMREG ▼	0.00	1		01/01/2014 ▼	01/31/2014 ▼		0.00 / 00	1,250.00				

PR Screen Sample: **ARR to February**

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC
▼	280.00	0.00	LZ ▼	P ▼	0.00	ARR ▼	TFSP ▼			5,465.00	08	1	3	
▼	0.00	0.00			0.00	ARR ▼				0.00	08	1	3	
Name		Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid				
		EOMREG ▼	0.00	1		02/01/2014 ▼	02/28/2014 ▼		0.00 / 00	1,250.00				

PR Screen Sample: **ARR to March**

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC
▼	280.00	0.00	LZ ▼	P ▼	0.00	ARR ▼	TFSP ▼			5,465.00	08	1	3	
▼	0.00	0.00			0.00	ARR ▼				0.00	08	1	3	
Name		Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid				
		EOMREG ▼	0.00	1		03/01/2014 ▼	03/31/2014 ▼		0.00 / 00	1,250.00				

Common Error: When paying employee earnings earned from 1/15 to 1/31 on the February 10th payroll:
 For AC-P-C, use contribution code 1 instead of 3,
 These earnings are still considered CURRENT, not ARREARS.

PERS – When to Issue ARREARS (Cont'd)

Scenario #1:

An employee's overtime earnings were coded with PERS contributions which generated excessive service credit. *Overtime earnings are NOT reportable to PERS.* These earnings need to be backed out and re-reported without contributions.

Step 1: Create a new pay line, back out the original entry as ARR with negative earnings and use contribution code 3, same Ret. Base and St-Ded as reported on original pay line that was issued incorrectly, add date range that corresponds to pay period issued.

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C
	-45.00	10.00	H		-450.00	ARR	TFNP			45.00	08	4	3
Adjustment >	0.00	0.00			0.00	ARR	TFNP			0.00	08	4	3
Name	Pay Schd	Cy	HR/DAY	S	B	F	Start	End	User	Annual Contract	FTD Paid		
	EOMREG			1			01/01/2012	01/31/2012		0.00 / 00			

Step 2: Create a new pay line and re-report earnings without contributions also using ARR.

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C
	45.00	10.00	H		450.00	ARR	TFNN			45.00	00	0	0
Adjustment >	0.00	0.00			0.00	ARR	TFNN			0.00	00	0	0
Name	Pay Schd	Cy	HR/DAY	S	B	F	Start	End	User	Annual Contract	FTD Paid		
	EOMREG			1			01/01/2012	01/31/2012		0.00 / 00			

PERS – When to Issue ARREARS (Cont’d)

Scenario #2:

PERS retiree was paid as a member in error; these earnings need to be reversed.

Step 1: Please make sure that the W4 screen Primary RS indicates PERS member 02 in order to enter a negative pay line to back out the previously reported incorrectly.

Control Information			
Check sort:	8000 - SUBSTITUTES/LTH	Alt check sort:	8000 - SUBSTITUTES/LTH
Pay code:	12 - CLASSIFIED HOURLY/DAILY	Primary RS:	02 - PERS CLASSIFIED RETIREMENT
Ret code:	08-4-3	Secondary RS:	00 - NO CODE
Pay schedule:	TENREG - 10TH 12MOS DS-REG	Statutory ded:	TFPERO - FIT SIT FICA PERO
DPO:	N	SUI:	1 - Regular funding
EIC:		Sub:	0 - Not sub

Step 2: Create a new pay line, back out the original entry as ARR with negative earnings and use contribution code 3, same Ret. Base and St-Ded as reported on original pay line that was issued incorrectly, add date range that corresponds to pay period issued.

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C
▼	-280.00	0.00	LZ ▼	P ▼	0.00	ARR ▼	TFSP ▼			28.00	08	4	3
▼	0.00	0.00	▼	▼	0.00	ARR ▼	TFSP ▼			0.00	08	4	3
Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	ACA Hours	Days Worked				
TENREG ▼	0.00	1		03/01/2020 ▼	03/31/2020 ▼		0.00/00	0.00	0.00				

PERS – When to Issue ARREARS (Cont'd)

Step 3: After the payroll run, change W4 screen Primary RS to 04 to indicate PERS Retired

Control Information			
Check sort :	8000 - SUBSTITUTES/LTH	Alt check sort :	8000 - SUBSTITUTES/LTH
Pay code :	12 - CLASSIFIED HOURLY/DAILY	Primary RS :	04 - PERS RETIRED
Ret code :	00-4-7	Secondary RS :	00 - NO CODE
Pay schedule :	TENREG - 10TH 12MOS DS-REG	Statutory ded :	TFPERO - FIT SIT FICA PERO
DPO :	N	SUI :	1 - Regular funding
		EIC :	
		Sub :	0 - Not sub

Step 4: Create new pay line and re-report earnings with no PERS, as ARR with positive earnings, using AC-P-C code 00-4-8

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C
▼	280.00	0.00	LZ ▼	P ▼	0.00	ARR ▼	TFPERO ▼			28.00	00	4	8
▼	0.00	0.00	▼	▼	0.00	ARR ▼	TFPERO ▼			0.00	00	4	8
Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	ACA Hours	Days Worked				
TENREG ▼	0.00	1		03/01/2020 ▼	03/31/2020 ▼		0.00 / 00	0.00	0.00				

PERS Appointment Reconciliation

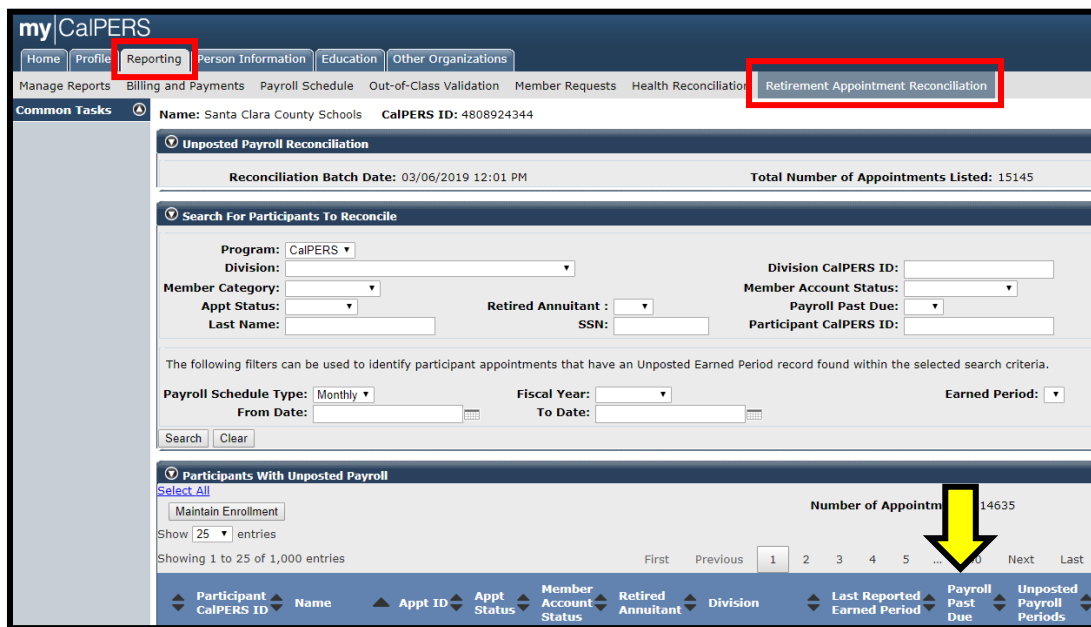
With the integration of membership, health, payroll, and benefit systems in my|CalPERS, it is critical that employees' appointment information is properly maintained by all employers. The new CalPERS system functionality will enable school districts to be more efficient in identifying missing payroll records, resolve payroll record discrepancies, update appointments, and generally perform reconciliation of retirement appointments.

Districts must reconcile their agency's retirement appointments monthly, paying attention to:

- Close appointment for staff who go on leave or terminate
- Maintain and confirm the appointment status for employees who are missing payroll data.
- If a payroll was missing in error, report the missing payroll as soon as possible.

Procedure for Retirement Appointment Reconciliation:

1. To reconcile,
 - Sign on to my|CalPERS
 - Select the **Reporting** tab
 - Select the **Retirement Appointment Reconciliation** tab



NOTE: Click on Payroll Past Due and sort by "YES". The search results will show records that are missing payroll. Click on view next to a record and reconcile.

PERS Appointment Reconciliation (Cont'd)

2. Review the search result and clear/correct the exceptions based on the appointment status of employees whose name appears in the search result.
 - Process a permanent separation for employees who have left the district
 - ❖ The permanent separation date must be reported as the day after the last day an employee works for a district, which is often the day after the last day of the payroll.
 - Delete appointments that were created in error
 - ❖ You will not be able to delete appointments that are tied to payroll. You will need to contact CalPERS for further assistance.
 - Add a leave of absence event to an appointment
 - ❖ The **Begin Leave** date must be entered as a date that is at least one day after the last paid day for an employee of your district.
 - ❖ The **End Leave** date is the day that the employee returns.
 - Confirm missing payroll
 - ❖ After you confirm that an earned period is missing payroll, my|CalPERS will stop requesting payroll reporting for that period.
 - Contact DBAS if you determine that an employee truly has a missing payroll that must be posted in my|CalPERS

PERS Common Errors

- Overtime Earnings reported to PERS: This occurs most often when an employee takes additional duties on top of their Full-Time contract or when an employee works multiple Part-Time positions.
- Not using the same Ret. Base/Pay Rate as the original pay line when making negative adjustments to prior period earnings.
- When doing negative earnings adjustment, the negative amount should not exceed what was originally issued.
- Incorrect Date range on Retro or Arrears pay lines *or* leaving the date range blank.
- Using Retro code 5 for Arrears payment instead of code 3 or vice-versa.
- Using incorrect Ret. Base/Pay Rate on retro *and* combining different Pay Rates into one pay line.
- Using the earnings as the Ret. Base/Pay Rate on positions that are not 100% FTE. Ret Base must always be at 100% FTE.
- The Ret. Base/Pay Rate and Pay Code not corresponding, they should relate:
 - Monthly Rate = PC 1 Hourly Rate = PC 4 Daily Rate = PC 8
- The Pay Type and Contribution Code not corresponding, they should relate:
 - ARR = CC 3 RET = CC 5
- Negative Adjustment should always be backed out with contribution code 3.
- All pay lines with contribution code 3 must be reported one month at a time with corresponding dates (cannot lump the months together).
- Special Compensation must be reported with a correct pay type and corresponding PSCT field. **DO NOT** use bonus codes in the pay lines to record special compensation such as longevity, bilingual stipend.
- Do not leave the Start Date and End Date blank, if the employee started working after the first day of the month, or if the employee stopped working before the last day of the month.
- Dock should always be a one-time lump sum amount (LZ), and unit should be 1.00

PERS Common Errors (Cont'd)

- Do not report coaching stipend as special compensation; coaching position by itself cannot be reported to CalPERS.
- Coaching stipend can be reported partially only if the employee is less than 1.0 FTE at your district.
- Coaching stipend should be reported for earned period as Extra Duty. If Ret. Base/Pay Rate is available for coaching stipend, use that Ret. Base/Pay Rate. If not available, use the contract Ret. Base/Pay Rate.
 - For part-time employees, first convert the lump sum amount to a full-time equivalent pay rate. Then report it as regular earnings over the periods of time when coaching was done.
 - To calculate an hourly rate, follow this example: Assume that a coaching stipend for 3 months (March – May) is \$3,000, and the employee is coaching approximately 3 hours per day or 15 hours per week. There are 13 weeks from March to May, so that is a total of 195 hours. \$3,000 divided by 195 hours is \$15.39 per hour.
- When reporting earning to CalPERS, it must be for the full month. It cannot be for 1 or 2 days that the employee actually worked for, or is being docked for. The only exception is if the employee is starting or ending work in the middle of the month.

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC	PSCT
	25.19	7.50	H	U	188.93	HR	TFNP			25.19	08	4	1		
Adjustment >	0.00	0.00			0.00	HR				0.00	08	4	1		
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	ACA Hours	Days Worked	FTD Paid				
	EOMSUP	0.00	1		10/19/2016	10/19/2016		0.00 / 00	0.00	0.00	1,700.33				

- Out of Class employee must be working full time in the new position. Depending on the district contract, it can be reported as either OUT 08-1-1 or TUP 08-1-6. (Reference chart on page-60)

PERS Cheat Sheet

Classic Member (2% at 55) Contributions = 7% of Earnings		PEPRA Member (2% at 62) Contributions = 7% of Earnings		
CalPERS	AC-P-C Code Used in QCC			Ret Base/ Pay Rate
	CURRENT MONTH	ARREARS	RETRO	
Salary (NML)	08-1-1 08-4-1 08-8-1	08-1-3 08-4-3 08-8-3	08-1-5 08-4-5 08-8-5	Monthly Hourly Daily
Retired Annuitant	00-4-7	00-4-8	N/A	Hourly
SPECIAL COMPENSATION <i>(Use same Ret Base as its NML pay line. Specify type of SPC on pay line)</i>	08-1-6 08-4-6 08-8-6	08-1-6 08-4-6 08-8-6	08-1-6 08-4-6 08-8-6	Monthly Hourly Daily
Can months be lumped together?		NO	^YES	
<i>^as long as the payrates are the same and it doesn't cross fiscal years</i>		Specify dates on pay lines		
		Check Transaction History on MyCalPERS to verify adjustment amounts		
		For SPC, AC-P-C Code stays the same		
REPORTABLE: For all reportable SPC, AC-P-C code is 08-1-6/ 08-4-6/ 08-8-6		CLASSIC	PEPRA	
SPECIAL COMPENSATION:				
INCENTIVE PAY				
*Bonus		x	00-0-0	
Longevity Pay		x	x	
*Off-Salary-Schedule Pay		x	00-0-0	
*Value of EPMS		x	00-0-0	
EDUCATIONAL PAY				
Educational Incentive		x	x	
Undergraduate/Graduate/Doctoral Credit		x	x	
PREMIUM PAY				
*Temporary Upgrade Pay (Out of Class)		x	00-0-0	
SPECIAL ASSIGNMENT PAY				
Bilingual Premium		x	x	
Confidential Premium		x	x	
Lead Worker/Supervisor Premium		x	x	
Paramedic Coordinator		x	x	
Severely Disabled Premium		x	x	
Shift Differential Premium		x	x	
School Yard Premium		x	x	
Training Premium		x	x	
STATUTORY ITEMS				
Holiday Pay		x	x	
*Uniform Allowance		x	00-0-0	

*Not reportable for PEPRA members: AC-P-C code is 00-0-0

PERS Pre-Payroll QCC Audit

In September of 2011, CalPERS launched a new system called my|CalPERS. In order to post retirement contributions on time, **all pay lines must be reported correctly**. If not, payroll submission will be delayed and may be subject to penalty and interest. It is imperative that districts clear all PERS errors prior to closing payroll (EOM, TENTH, MID).

Please note: This process only helps clear errors that can be detected through the payroll system. After the payroll file is uploaded to PERS, there may be other errors that my|CalPERS will reject, which QCC does not have edits for.

Procedure:

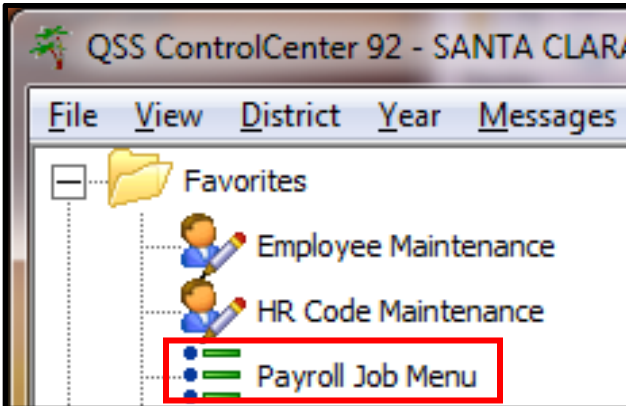
Log into QCC - Click on the following selections:

- **Payroll Job Menu**
- Double Click on **Request Payroll Prelist**
- **District Selection** Tab: Your district number will appear
- **Payroll Selection** Tab: Select the **Payroll Name, Pay Date, & Period End**
- **Report Selection** Tab: Select **RCA320 – PERS Pre-list / Data File**
 - Leave “Totals Only” unchecked
- **Optional Selection** Tab: Enter Service Period (**MMYY**) and Arrears (**MMYY**)
 - Example: EOM Payroll Pre-list for February 2014
 - ✓ Service Period **0214** Arrears **0114**
 - Example: TENTH Payroll Pre-list for April 2014
 - ✓ Service Period **0314** Arrears **0314**

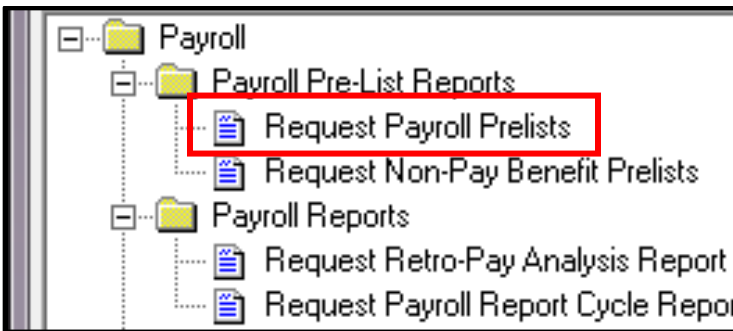
Click Submit to launch the job

PERS Pre-Payroll QCC Audit (Cont'd)

Click on **Payroll Job Menu**



Select **Request Payroll Prelist**



Select **Payroll Name, Pay Date, & Period End**

A screenshot of the 'Request Payroll Pre-list Reports' dialog box. At the top, there are four tabs: 'District Selection', 'Payroll Selection', 'Report Selection', and 'Optional Selection'. The 'Report Selection' tab is active. The dialog has a title bar 'Request Payroll Pre-list Reports'. Below the title bar is a section titled 'Reporting Options'. It contains four fields: 'Year' with a text box containing '14', 'Payroll Name' with a dropdown menu showing 'EOM', 'Pay Date' with a date dropdown showing '03/28/2014', and 'Period End' with a date dropdown showing '03/31/2014'. At the bottom of the dialog are two buttons: 'Show Active Pay Schedules' and 'List Payrolls'.

PERS Pre-Payroll QCC Audit (Cont'd)

Select **RCA320 – PERS Prelist / Data File** (leave 'Totals Only' unchecked)

Request Payroll Pre-list Reports

Reporting Options
 Report Title:
 SSN Masking: 0 = none, 1-9 = mask, L/R = ExtRef

Select	Num Copies	Totals Only	Reports
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY510 - Payroll Pre-list
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY240 - Payroll Fund Transfer
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY250 - Alpha Payroll Register
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY260 - Payroll Earnings Register
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY270 - Labor Distribution
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY290 - Emps. Paid First Time
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY320 - Benefits Distribution
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY322 - Benefits Distribution (alpha)
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY600 - Vol-ded by Vol-ded number
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY610 - Vol-ded by Employee
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY620 - Vol-ded Summary
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY615 - Garnishment Report
<input type="checkbox"/>	01	<input type="checkbox"/>	RCA500 - Retirement Exception List
<input type="checkbox"/>	01	<input type="checkbox"/>	RCA310 - STRS Pre-list / F496 File
<input checked="" type="checkbox"/>	01	<input type="checkbox"/>	RCA320 - PERS Pre-list / Data File

Enter Service Period (MMYY) and Arrears (MMYY)

District Selection | Payroll Selection | Report Selection | Optional Selection

PAY510/512/250

PAY510 Sort Option: Print Deduction Details

PAY512 Sort Option:

Pay Type:

PAY250 Sort Option:

RCA500

Sort Option: Comments:

Error Codes:

Comment Types:

Comment Dates: From To

RCA310 (STRS/F496 File)

Service Period: From To File:

Arrears: From To

RCA320 (PERS/Data File)

Service Period: (MMYY) Arrears: (MMYY) File:

- EOM Payroll Prelist February 2014
 - ✓ Service Period **0214**
 - ✓ Arrears **0114**
- TENTH Payroll Prelist April 2014
 - ✓ Service Period **0314**
 - ✓ Arrears Period **0214**

Click on to submit job

PERS Pre-Payroll QCC Audit (Cont'd)

From Print Manager (LSPool)

Step 1: Select Job RCA320, Click on *Download File*

Ret.	LN	Sclt	R	P	File #	Date/Time	Job#	Beg/End (Lines)	Report Title	Program Title	Program
	001	N	Y	N	113246	04/15/2014 12:17	113375	0/0 (382)	PERS Simulation	PERS Simulation	RCA320

Step 2: Click on *Get Preset*

STATE OF CALIFORNIA +SIMULATION+

PAYROLL LISTING FOR PUBLIC EMPLOYEES' RETIREMENT SYSTEM

EMPLOYER CODE 0215 DATE PRINTED 04/15/14
 CURRENT SERVICE PERIOD 04-14-0

SOCIAL SECURITY NUMBER	MEMBER NAME LAST F M	COVER GROUP	SERVICE PERIOD MO YR T C	PAY RATE	MEMBER EARNING	CONTRIBUTION RATE CC AMOUNT	SURV WORK UNIT CNTB SCHD CODE AMT. CODE	EMPLOYER PAID CONT CODE	CONTRIBUTION AMOUNT
------------------------	----------------------	-------------	--------------------------	----------	----------------	-----------------------------	---	-------------------------	---------------------

Step 3: Find Preset PERS PRE-PAYROLL and Click on *Retrieve* then *OK*

Only list this Category: *All Categories

Ln	Name	DI	Cat	Description
277	PERS PRE-PAYROLL	00		PRE-PAYROLL PRE-LIST AUDIT

Retrieve Preset for Line:277 Name:PERS PRE-PAYROLL?

Step 4: Click on *Excel* to Open File and follow PERS Macro instructions

STATE OF CALIFORNIA +SIMULATION+

PAYROLL LISTING FOR PUBLIC EMPLOYEES' RETIREMENT SYSTEM

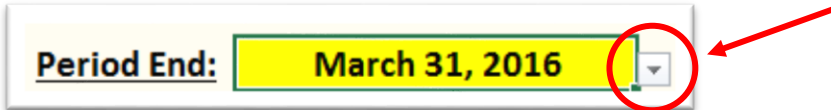
EMPLOYER CODE 0215 DATE PRINTED 04/15/14
 CURRENT SERVICE PERIOD 04-14-0

SOCIAL SECURITY NUMBER	MEMBER NAME LAST F M	COVER GROUP	SERVICE PERIOD MO YR T C	PAY RATE	MEMBER EARNING	CONTRIBUTION RATE CC AMOUNT	SURV WORK UNIT CNTB SCHD CODE AMT. CODE	EMPLOYER PAID CONT CODE	CONTRIBUTION AMOUNT
------------------------	----------------------	-------------	--------------------------	----------	----------------	-----------------------------	---	-------------------------	---------------------

Report Settings:
 Preset Name: PERS PRE-PAYROLL Skip Blank Lines Delimiter: Comma Delimi
 Preset Desc: PRE-PAYROLL PRE-LIST AUDIT

PERS Macro Instructions

- 1) Use the drop down button to choose the correct payroll Period End. **DO NOT** type in the date.



If you have an incorrect Period End, the macro will not produce the right data.

- 2) Paste the PERS data in cell A5.
- 3) Click on **RUN** to execute the macro.
- 4) Go through each tab to see the pay lines that require correction or review. The tabs have an explanation at the top to explain briefly what needs to be checked.

Below is an outline of each tab:

❖ Pay Rate

(Pay Rate must NOT be less than 0)

- Ret Base must be positive when doing negative adjustment.
- Negative adjustment should not exceed what was reported.
- Pay Rate should match the Pay Rate of the period being adjusted.

❖ Pay Code

(Pay Code must match Pay Rate)

- Pay Code 1 = MONTHLY pay rate (\$1,280 - \$14,000)
- Pay Code 4 = HOURLY pay rate (\$8 - \$86)
- Pay Code 8 = DAILY pay rate (\$56 - \$860)
- The macro checks against the ranges stated above for each pay code. There may be, for example, CBO's or Superintendents who get paid above \$14,000. Their pay lines will show up on this tab, but do not necessarily mean they are incorrect.

❖ CC 1

(Current Period)

- Earnings must be greater than 0 *unless* they are adjustments made for EOM at the TENTH.
- Verify that the negative adjustment does not exceed what was reported on EOM.

❖ CC 1 DATES

(NO prior / future periods)

- CC 1 refers to current period. Pay lines with contribution code 1 must not have any prior period dates or future period dates.

PERS Macro instructions (Cont'd)

❖ **CC 3-5 DATES****(No current / future periods)**

- CC 3 is for arrears and CC 5 is for retros. Pay lines with contribution codes 3 or 5 must not have any current period dates or future period dates.

❖ **DATE CHECK**

- Dates should always be a full month (start date = first day of the month; end date = last day of the month) unless employee's start date / termination date is in the middle of the month.

❖ **CC 3****(ARREAR period)**

- Negative earnings/adjustment must have the same pay rate and pay code as the pay line being adjusted.
- Negative earnings/adjustment should not exceed what was reported
- If Earnings is 0, make sure it is because of a wash

❖ **CC 3 MUL****(ARREAR period)**

- Multiple periods cannot be lumped together in one pay line when using contribution code 3.

❖ **CC 5****(RETRO period)**

- Earnings less than 0 are allowed if backing out a previous RETRO
- Negative earnings should not exceed what was originally reported
- Retro cannot cross fiscal years

❖ **CC 6 PC (CURR MO)****(Special Compensation – Current Period)**

- Earnings must be greater than 0 unless they are adjustments made for EOM at the TENTH.
- Verify that the negative adjustment does not exceed what was reported on EOM

❖ **CC 6 PC PRIOR****(Special Compensation – Prior Period Pay Code Check)**

- Must have NML pay line
- Pay Code & Ret Base must match what was originally reported

PERS Macro instructions (Cont'd)

❖ **CC 6 DATES**

(Special Compensation Dates)

- NO future period dates
- Must indicate Start & End dates for Arrears & Retros

❖ **CC 6 RET ARR**

(Special Compensation Retros & Arrears)

- NO current & future period dates
- Retros cannot cross fiscal years

❖ **PENNY**

(Penny / Dollar Pay Lines)

- Penny and Dollar pay lines should not be reported to PERS

5) After going through all the tabs and correcting the errors, re-run the payroll pre-list to get the updated PERS data, and run the PERS macro again to verify that the errors were fixed.

6) Check for excess service credit by going to the '**SVC CREDIT**' tab.

Service Credit for current period

- > Should not exceed 1.0 FTE
- > Overtime is NOT reportable

Row Labels	Sum of SVC CREDIT
(blank)	
(blank)	
(blank)	
Grand Total	

After pasting your PERS data in the DATA sheet, update this pivot table:

- RIGHT CLICK INSIDE THE TABLE
- LEFT CLICK ON REFRESH

LEFT CLICK ON THIS DROP-DOWN BUTTON

- Choose "Number filters"
- Click "Greater than..."
- Enter "1.01"

If there are any employees that are getting more than 1.0 service credit, they will show up on the list. Check their pay lines to see what is causing the excess service credit, and adjust accordingly.

Your final macro run should be clean. There may be lines that may show up that are not necessarily errors, just like the example under Pay Code tab in the above outline. For cases like these, you may put a comment, such as, "ok", to indicate that you have reviewed it and that it is Employer Approved.

NOTE:

The final macro run spreadsheet, with your comments, should be sent to your Accounting Specialist along with the Payroll Authorization form, the Pay 510 Totals Only, Pay 512, Pay 513, and the error-free F496 report at the end of payroll closing day.

CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM (CalSTRS)

CalSTRS

California State Teachers' Retirement System provides retirement, disability and survivor benefits for California's pre-kindergarten through community college educators and their families. CalSTRS was established by law in 1913 and is part of the California State and Consumer Services Agency.

CalSTRS 2% at 60

First *hired* to a position to perform activities subject to coverage by a DB Program on or before December 31, 2012. An existing member is also someone who may have refunded, reinstated, retired, started as a non-member or elected to have their creditable service covered by another retirement plan, including Social Security.

Ed Code 22119.2

CalSTRS 2% at 62

First *hired* to a position to perform activities subject to coverage by the DB Program on or after January 1, 2013.

Ed Code 22119.3

Creditable Compensation: The law states remuneration paid in cash by an employer to all persons in the same class of employees for performing creditable service in that position is creditable compensation. The law also states that both of the following are creditable compensation:

Ed Code 27400 Clarifies Ed Code 22119.2

- Salary paid in accordance with a publically available written contractual agreement
- Remuneration paid in addition to salary provided that it is paid to everyone in the same class of employees and in the same amount of percentage

Creditable Service: Reorganization and Clarification, Reference: Chapter 782 Ed Code 22119.5 and 26113

Defined Benefit: DB Program is a traditional defined benefit plan that provides retirement, survivor and disability benefits. Your Defined Benefit retirement benefit is based on a formula set by law using your age, service credit, and final compensation.

Defined Benefit Supplemental Program: DBS Program is a hybrid cash balance plan for a Defined Benefit member that provides additional savings for retirement. Funds come from compensation earned from service in one school year in excess of one year service credit and compensation paid a limited number of times.

CalSTRS/CalPERS Retirement System Election – ES 372

Many times employees change from one job to another and the retirement system chosen may be in question. Employers are required to notify employees of their right to elect to stay with their retirement system within 10 days of hire date. Election is applied PER POSITION. Employees must understand the difference of each system's default and fill out Form ES 372 accordingly. Refer to pages 39 – 41 for more guidance.

- If a CalSTRS member takes a job to *perform QUALIFYING Classified service covered by CalPERS on the first day of hire*, the employee has 60 days to submit form ES 372 electing to have that service reported to CalSTRS. Otherwise the service will be reported to CalPERS by default.
- If a CalPERS member takes a job to *perform QUALIFYING Certificated service covered by CalSTRS on the first day of hire*, the employee has 60 days to submit form ES 372 electing to have that service reported to CalPERS. Otherwise the service will be reported to CalSTRS by default.

Please send completed ES 372 form to your accounting specialist:

- **Section 1:** Member Information and Election to be completed by **employee**
- **Section 2:** Employer Certification to be completed by **the district and DBAS**
- This form **must be received by CalSTRS and CalPERS within 60 days of the employees' signature date on the form**
- Attach a copy of the employees' contract to support the right of election

IMPORTANT:

- If a CalSTRS Member takes a classified position that **DOES NOT** meet the criteria for mandatory membership, then the retirement system election **DOES NOT** apply. Non-Member Classified earnings are **NOT** reportable to CalPERS (AC-P-C 00-0-0)
- If a CalPERS Member takes a certificated position that **DOES NOT** meet the criteria for mandatory membership, then the retirement system election **DOES NOT** apply. Non-Member Certificated earnings **ARE** reportable to CalSTRS. Refer to page 98 for proper coding.
 - However, the employee **DOES** have the option to elect membership via Permissive Election form ES 350 for this certificated position.
 - Substitute Teachers who qualify under the 100 days or 600 hours **DO NOT** have the option to elect retirement systems; they will default into CalSTRS membership.

References: Employer Directives: 2017-01

Publication: *Join CalSTRS? Join CalPERS?* <https://sew.calstrs.com> From Home Page click on Reference Items, Publications, then click on Search and Open to download

CalSTRS/CalPERS Retirement System Election – ES 372 (Cont'd)

<h1 style="margin: 0;">Retirement System Election</h1>		 California State Teachers' Retirement System P.O. Box 15275, MS 17 Sacramento, CA 95851-0275 800-228-5453 CalSTRS.com
ES 0372 rev 01/19		
RETIREMENT SYSTEM ELECTION AND ACKNOWLEDGEMENT OF RECEIPT OF RETIREMENT SYSTEM INFORMATION		
PLEASE READ THE ATTACHED INFORMATION AND INSTRUCTIONS BEFORE COMPLETING THIS FORM. PLEASE TYPE OR PRINT LEGIBLY IN DARK INK.		
SECTION 1: MEMBER INFORMATION AND ELECTION (to be completed by employee)		
<p>NAME (LAST, FIRST, MIDDLE INITIAL)</p> <p>A member of CalSTRS who becomes employed in a new position by the same or a different school district, a community college district, a county superintendent of schools, limited state employment or the Board of Governors of the California Community Colleges, as defined in Education Code sections 22508 and 22508.5, to perform service that requires membership in a different public retirement system will have that service credited with that other public retirement system unless the member files a written election (within 60 days after the date of hire) to have that service covered by CalSTRS, pursuant to Education Code section 22508(a) or 22508.5(a).</p> <p>I am a member of CalSTRS who has accepted employment to perform service that requires membership in a different public retirement system and am eligible to elect to continue retirement system coverage under CalSTRS.</p> <p>I elect coverage in: (please choose one)</p> <p><input type="checkbox"/> CA State Teachers' Retirement System (CalSTRS)</p> <p><input type="checkbox"/> CA Public Employee's Retirement System (CalPERS) *</p> <p><input type="checkbox"/> A Different Public Retirement System identified here:</p>	OR	<p>FULL SOCIAL SECURITY NUMBER</p> <p>A member of CalPERS who was employed by a school employer, Board of Governors of the California Community Colleges or State Department of Education within 120 days before the member's date of hire, or who has at least five years of CalPERS credited service, as defined in Government Code section 20309, and who is subsequently employed to perform creditable service that requires membership in the Defined Benefit Program of CalSTRS, will have that service credited with CalSTRS unless the member files a written election (within 60 days after the date of hire) to have the service credited with CalPERS, pursuant to Government Code section 20309.</p> <p>I am a member of CalPERS who has accepted employment to perform service that requires membership in the CalSTRS Defined Benefit Program, and am eligible to elect to continue coverage under CalPERS.</p> <p>I elect coverage in: (please choose one)</p> <p><input type="checkbox"/> CA State Teachers' Retirement System (CalSTRS)</p> <p><input type="checkbox"/> CA Public Employee's Retirement System (CalPERS) *</p>
With my signature below, I certify that I have received information from my employer regarding my eligibility to elect membership for this position as described on this form. I fully understand that this election is irrevocable. I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering or receiving a benefit administered by CalSTRS and it may result in up to one year in jail and/or a fine of up to \$5,000 pursuant to Education Code section 22010.		
		DATE
SECTION 2: EMPLOYER CERTIFICATION (to be completed by employer and County Office of Education)		
With my signature below, I certify that I have provided information to the above employee regarding his/her eligibility to elect membership for this position, pursuant to Education Code section 22509. I certify the employee meets the qualifications to make a retirement system election, pursuant to Education Code sections 22508 or 22508.5, or Government Code section 20309.		
EMPLOYEE POSITION INFORMATION:		
POSITION HIRE DATE	POSITION EFFECTIVE DATE	POSITION TITLE
SELECT ONE: <input type="checkbox"/> Credentialed <input type="checkbox"/> Classified <input type="checkbox"/> State Service		
EMPLOYER INFORMATION:		
CO/DIST/STATE DEPT NAME		CALSTRS REPORT UNIT CODE
SCHOOL/STATE OFFICIAL'S NAME	TITLE	PHONE NUMBER
SIGNATURE OF SCHOOL/STATE OFFICIAL		DATE
COUNTY OFFICIAL'S NAME	TITLE	PHONE NUMBER
SIGNATURE OF COUNTY OFFICIAL		*CalPERS Employer Code:
 ES0372		RETIREMENT SYSTEM ELECTION • rev 01/19 • PAGE 1 OF 1

STRS Mandatory Membership Qualification

Mandatory Membership

The following are circumstances in which an employee qualifies for mandatory membership:

- **FTE 100% (Assignment Code 57)** Membership Date is the first day of employment.
Ed Code 22501(a)
- **FTE 50% K-12 (Assignment Code 57)** Membership Date is the first day of employment.
Ed Code 22502(a)
- **Substitute Teacher (Assignment Code 54)** Reached 100 days or 600 hours within a fiscal year & within 1 district. Membership Date is the first day of the following pay period in which they reached 100 days or 600 hours.
Ed Code 22503(a)
 - Membership must be established regardless of whether additional service is performed after the 100-days or 600-hours threshold is met or the threshold is met during the last pay period of the school year.
- **Part-Time or Adult Ed (Assignment Code 55)** Reached 10 days or 60 hours within 1 pay period & within 1 district. Membership date is the first day of the following pay period in which they reached the 10 days or 60 hours.
Ed Code 22504(a)
 - Membership must be established regardless of whether additional service is performed after the 10-days or 60-hours threshold is met or the threshold is met during the last pay period of the school year.
- **Community Colleges (Assignment Code 57/58)**
 - **Temporary Employment:** Full-time and Part-time employees are excluded from membership
Ed Code 22601.5(b)
 - **Non-Temporary Employment:**
 - Full-time employees become a member on the first day of employment.
Ed Code 22501(a)
 - Part-time employees become a member on the first day of employment.
Ed Code 22502(a)

Procedures for Setting up Mandatory Membership (Transaction Code 11)

1. Verify current status at <https://sew.calstrs.com> (reference pages 89 - 91)
2. From the Home page click on REAP , enter Tax ID (employee's SSN), then click Search
3. If DB Status is **Member** at CalSTRS, then the employee is already in membership status, no action is required, *proceed to step 6*
4. If DB status is **Non-Member** or **Refund** click on the Update tab, select **Transaction Code 11** (Mandatory Membership) from the drop down menu and enter **Effective Date**
5. If DB status is **Person not found** click on Mass Update, enter Tax ID (employee's SSN) then click Search:
 - a. Add membership using **Transaction Code 11** from the drop down menu
 - b. Complete all boxes in REAP with the exception of LAUSD Number, use employee data from MA screen in QCC, and enter **Effective Date**

IMPORTANT:

Effective Date is MEMBERSHIP Date. It must coincide with the employee's hired date.



6. Log into QCC, click on Employee Maintenance and search employee
7. Select W4 Screen and set up employee as a **Member** using the appropriate St-Ded, AC-P-C code and, Primary RS code (reference page 96 - 97)
8. Select PR Screen and set up the employee's pay line in the PR screen using the same set up as the W4 screen for **NML** pay line

STRS Permissive Membership Election – ES 350

An employee, whom performs creditable service and is excluded from mandatory membership, may *elect* membership at any time - even if the employee has declined membership in the past. Part-time employees with less than 50% FTE, Substitutes, Adult Ed Teachers, and Community Colleges Temporary employees should receive this form on the date of hire.

Ed Codes: 22515 & 22455.5 and SB 1352

Sample of Permissive Membership Election Set-Up when DB status is **Person not found**

<p>Permissive Membership ES 0350 rev 01/19</p>		 California State Teachers' Retirement System P.O. Box 15275, MS 17 Sacramento, CA 95851-0275 800-228-5453 CalSTRS.com	
<p>PERMISSIVE MEMBERSHIP ELECTION AND/OR ACKNOWLEDGEMENT OF RECEIPT OF CALSTRS DEFINED BENEFIT PROGRAM MEMBERSHIP INFORMATION</p>			
<p>This form is used to permissively elect membership in the CalSTRS Defined Benefit Program and/or to acknowledge receipt of information provided by an employer about the right to elect membership in the CalSTRS Defined Benefit Program.</p>			
<p>Section 1: Employee Information, Election and/or Certification (to be completed by employee)</p>			
NAME (LAST, FIRST, INITIAL)		CALSTRS CLIENT ID OR SOCIAL SECURITY NUMBER	
<p>CHECK ONE:</p> <p><input checked="" type="checkbox"/> I elect membership in the CalSTRS Defined Benefit Program as of: _____ MEMBERSHIP DATE (MM/DD/YYYY)***</p> <p><input type="checkbox"/> I decline membership in the CalSTRS Defined Benefit Program at this time</p>			
<p>I understand this election is irrevocable, applies to all future creditable service performed for any current or future employer unless another election is made as allowed by law. I understand my membership may only be cancelled by terminating all employment to perform creditable service and receiving a refund of my accumulated retirement contributions in the CalSTRS Defined Benefit Program.</p> <p>I understand that I can elect membership in the CalSTRS Defined Benefit Program at any time while I am employed to perform creditable service.</p>			
<p>Required Signature</p> <p>I certify that I have received information from my employer concerning the CalSTRS Defined Benefit Program and understand the criteria for membership in the program.</p> <p>I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statement for the purpose of obtaining, or allowing it to be used, to obtain, receive, continue, increase, deny or reduce any benefit administered by CalSTRS and it may result in including restitution, of up to one year in jail and/or a fine of up to \$5,000 (Education Code section 22010). It may also result in any judgment containing such false representation being voided. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. I understand that perjury is punishable by imprisonment for up to four years (Penal Code section 126).</p>			
EMPLOYEE'S SIGNATURE		SIGNATURE DATE (MM/DD/YYYY)	
<p>Section 2: Employer Information and Certification (to be completed by employer)</p>			
EMPLOYER NAME		COUNTY AND DISTRICT CODE	
EMPLOYER OFFICIAL'S NAME AND TITLE			
<p>Required Signature</p> <p>I certify that the above-named employee was provided information about their right to elect membership in the CalSTRS Defined Benefit Program and, if electing membership, is eligible to elect membership in the CalSTRS Defined Benefit Program as of the membership date provided.</p> <p>I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statement for the purpose of obtaining, or allowing it to be used, to obtain, receive, continue, increase, deny or reduce any benefit administered by CalSTRS and it may result in including restitution, of up to one year in jail and/or a fine of up to \$5,000 (Education Code section 22010). It may also result in any judgment containing such false representation being voided. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. I understand that perjury is punishable by imprisonment for up to four years (Penal Code section 126).</p>			
EMPLOYER OFFICIAL'S SIGNATURE		SIGNATURE DATE (MM/DD/YYYY)	
<p>***Membership Date may be no earlier than the first day of the pay period in which the election is made, or the first day of employment, whichever is later.</p>			
 ES0350		PERMISSIVE MEMBERSHIP • REV 01/19 • PAGE 1 OF 1	

Procedures for setting up Permissive Membership Election (Transaction Code 81)

1. Verify current status at <https://sew.calstrs.com> (reference pages 89 - 91)
2. From Home page click on REAP, enter Tax ID (employee's SSN), then click Search
3. If employee is **Electing** membership, but DB Status is already **Member** at CalSTRS, no action is required, *proceed to step 7*
 - a. Keep a copy of the form for your records
 - b. Do not forward to DBAS or CalSTRS
4. If employee is **Electing** membership, but DB status is **Non-Member** or **Refund** click on the Update tab, select **Transaction Code 81** from the drop down menu and enter **Membership Date**
5. If employee is **Electing** membership, but DB status is **Person not found** click on Mass Update, enter Tax ID (employee's SSN) then click Search, select **Transaction Code 81** from the drop down menu and enter **Membership Date**

IMPORTANT:

Membership Date may be no earlier than the first day of the pay period in which the election is made, or the first day of employment, whichever is later.

6. This form must be received by CalSTRS within 60 days of the employee's signature date on the form:
 - a. Fax completed form to CalSTRS (916) 414-5476 or
 - b. Email the form through CalSTRS/Secure Message Center
 - c. Keep a copy for your records; do not forward to DBAS
7. Log into QCC, click on Employee Maintenance, and search employee
8. Select W4 Screen and set up the employee as **Member** using the appropriate St-Ded, AC-P-C code and, Primary RS code (reference pages 96 - 97)
9. Select PR Screen and set up employee's pay line using the same set up as W4 screen for **NML** pay line

STRS Non-Member

Non-Member

An employee who performs creditable service and does not qualify for Mandatory Membership and does not Elect Membership **MUST be reported to CalSTRS as Non-Member status.**

Procedures for Setting up Non-Member (Transaction Code 02)

1. Verify current status at <https://sew.calstrs.com> (reference pages 89 - 91)
2. From Home page click on REAP, enter Tax ID (employee's SSN) then click Search
3. If employee is **Declining** membership, but DB Status is already **Non-Member** or **Refund**, no action is required, *proceed to step 6*
 - a. Keep a copy of the form for your records
 - b. Do not forward to DBAS or CalSTRS
4. If employee is **Declining** membership, but DB status is **Person not found** click on Mass Update, enter Tax ID (employee's SSN), then click Search:
 - a. Set up employee as **Non-Member** using **Transaction Code 02**
 - ✚ Effective date of Non-Membership is the date the employee signed the form
 - b. Complete all boxes in REAP with the exception of LAUSD Number, use employee data from MA screen QCC
5. This form must be received by CalSTRS within 30 days of employee's signature date on the form:
 - a. Fax completed form to CalSTRS (916) 414-5476 or
 - b. Email the form through CalSTRS/Secure Message Center
 - c. Keep a copy for your records; do not forward to DBAS
6. Log into QCC, click on Employee Maintenance, and search employee
7. Select W4 screen and set up employee as **Non-Member** using the appropriate St-Ded, AC-P-C code and, Primary RS code (reference page 98)
8. Select PR screen and set up employee's pay line using the same set up as W4 screen for **NML** pay line

Other Transaction Codes on REAP:

- **Transaction Code 50:** Name Change, as it appears on the Social Security Card
- **Transaction Code 51:** Date of Birth or Gender Change, as it appears on the Driver's License

STRS SEW/REAP Access

District staff must register with STRS in order to gain access to SEW/REAP. The process is as follows:

1. Complete the online registration at:

<https://sew.calstrs.com/CalSTRSSewWebUI/Registration/Pages/Register.aspx>.

- Report Source: 43 Santa Clara County Office of Education
- Report Unit: Select your District
For example: District 90 Payroll & HR Staff must select #90

2. Click on the **Terms and Conditions** link at the bottom of the registration page

3. Complete the forms:

- CalSTRS Information Security, Confidentiality and Non-Disclosure Agreement for Non-State Employees form (ISO1949B)
- Secure Employer Web Site Access Request

4. Print and fax both forms to (916) 414-6963.

IMPORTANT:

The completed forms must be received by CalSTRS before the account can be authorized by DBAS.

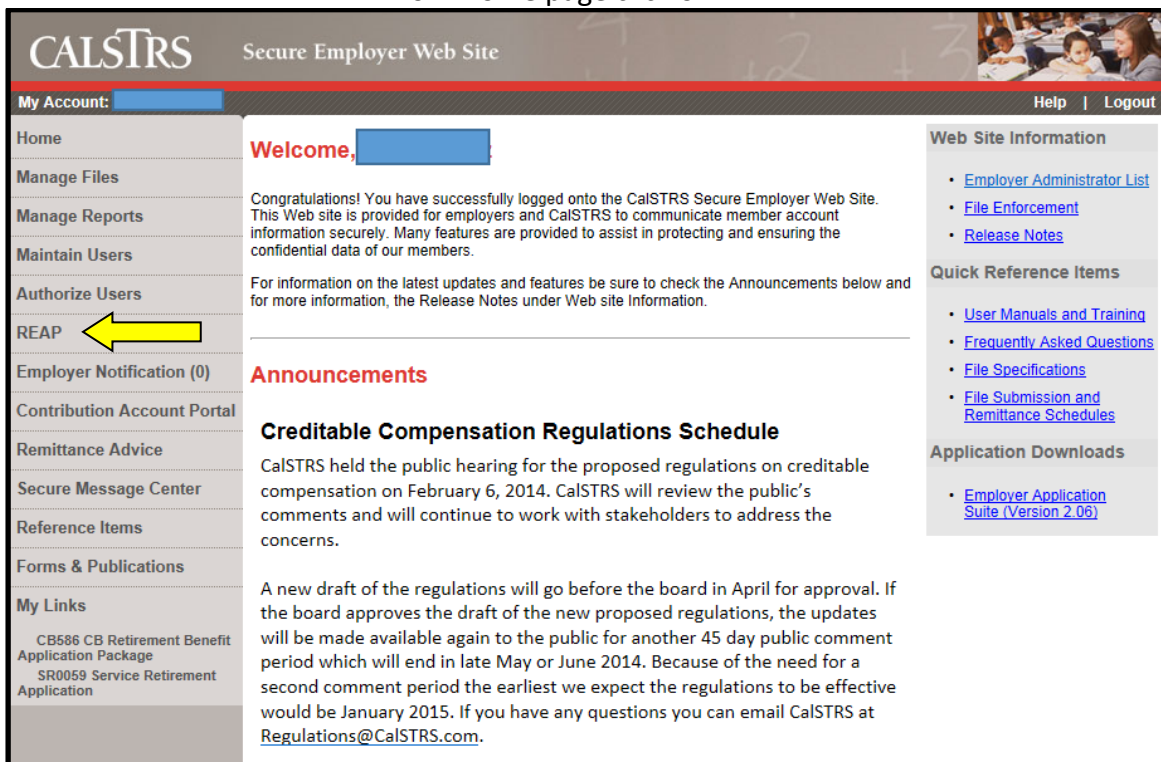
NOTE:

- Upon successful registration, County Administrator's approval, and receipt of the faxed forms, your SEW account will be activated.
- If you have any questions, contact CalSTRS Employer Help at (877) 277-5778 or <https://sew.calstrs.com>.

STRS SEW/REAP User Manual



From Home page click on REAP



STRS SEW/REAP User Manual (Cont'd)

Enter Tax ID (employee's SSN) then click Search

REAP Single Person/Account

Search by ID Search by DB Exception [Mass Update](#)

Tax ID Client ID LAUSD Number

If DB Status is **Member**, then no action is required

Retirement Formula : 2% at 60 LAUSD Number: [Hide](#)

Gender: F Birth Date: 09/25/1961 Death Date: Coverage: B
DB Status: MEMBER **DB Date: 04/01/2009** CB Status: CB Date:

Person / Account DB Contribution Lines Service Credit Balance

History:

Change Date	Tax ID	Name	Birth Date
11/22/2005			

If DB Status is **Non-Member** or **Refund**, click on the Update tab from the drop down menu, select **Transaction Code 11** for **Mandatory Membership** or select **Transaction Code 81** for **Permissive Election** and enter Effective Date, click on Submit to save

Retirement Formula : 2% at 60 LAUSD Number:

Gender: M Birth Date: Death Date:
DB Status: NONMBR **DB Date: 08/25/2001** CB Status:

Person / Account DB Contribution Lines Service Credit Balance

Retirement Formula : 2% at 62 LAUSD Number:

Gender: M Birth Date: Death Date:
DB Status: NONMBR **DB Date: 09/01/2015** CB Status:

Person / Account DB Contribution Lines Service Credit Balance

STRS SEW/REAP User Manual (Cont'd)

If **Person not found**, enter Tax ID, click on Mass Update

REAP Single Person/Account

Person not found

Search by ID Search by DB Exception [Mass Update](#)

Search Hide

Tax ID Client ID LAUSD Number 112-23-3445

Enter Tax ID again, you can add multiple employees at a time

REAP Mass Update

Search Hide

Single Account/Person

Tax ID:

112233445				

Add employee data from QCC MA screen, select **Transaction Code 11** for **Mandatory Membership**, **Transaction Code 81** for **Permissive Election** or **Transaction Code 02** for **Non-Member**, click on Submit to save

REAP Mass Update

Search Hide

Single Account/Person

Tax ID:

112-23-3445				

Search Results

Transaction: Effective Date: (After 01/01/2013)

Tax ID: 112-23-3445 Last Name: First Name: MI:

Gender: Birth Date: LAUSD Number:

Retirement Formula:

DB Status: DB Date: CB Status: CB Date:

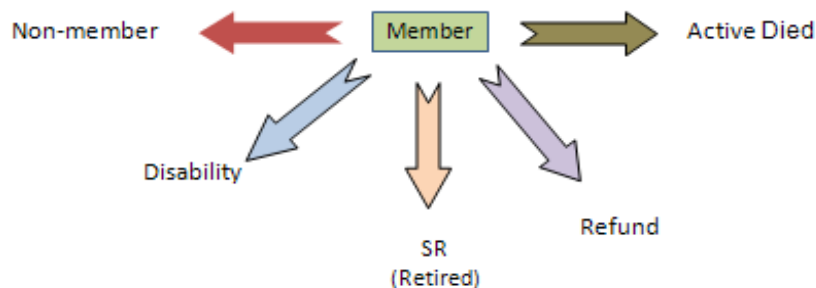
SEW Inquiry and Report Feature

- New member account established and Change in Status
- This report will provide a list of employees with the most updated status at one glance rather than one-by-one inquiry.

The screenshot shows the CALSTRS Secure Employer Web Site interface. The left sidebar contains navigation links such as Home, Manage Files, Manage Reports, Maintain Users, Authorize Users, REAP, Employer Notification (0), Contribution Account Portal, Remittance Advice, Secure Message Center, Reference Items, Forms & Publications, and My Links. The main content area is titled "Employer Notification" and includes a search criteria section with the following fields: Report Source (43 Santa Clara Co Office of Ed), Report Unit (All), From Date (03/01/2014), To Date (03/16/2014), and an option to include status changes initiated by this source. Below the search criteria is a "Search Results" section with a table of results. The table has columns for Tax Id, Name, Init. Source, Init. Unit, Notification Date, Prior Status, New Status, Effective Date, and Aff. Unit. Two rows are visible: one for BARNHART, DEANNA D (STRS) and one for PAYNE, FLORA L (27). The "Prior Status" and "New Status" columns for both rows are highlighted with a red box.

Tax Id	Name	Init. Source	Init. Unit	Notification Date	Prior Status	New Status	Effective Date	Aff. Unit
	BARNHART, DEANNA D	STRS		03/14/2014 07:00:46.4 PM	MEMBER	SR	05/31/2014	43181
	PAYNE, FLORA L	27		03/13/2014 12:09:45.3 PM	NONMBR	MEMBER	02/01/2014	43176

Which status changes create a notification?



STRS Membership Codes for W4 Screen

Primary RS: District Determines depending on eligibility

- 01 = STRS Member 2% at 60
- 11 = STRS Member 2% at 62
- 03 = STRS Retiree
- 05 = STRS Non-Member

SMF Status: STRS Match File (This field gets updated automatically on a Weekly Basis)

- 01 = Member
- 02 = Non-Member
- 07 = Refunded (Non-Member)
- 21 = Retired (SR)
- 42 = Disabled Retired (DR)

STRS Contribution Rates for 2020-21

- | | | | | | |
|------------------------|------------|-----------|------------------------|----------|----------|
| • 2% at 60: | EE 10.25% | ER 16.15% | • DBS 2% at 60: | EE 8.00% | ER 8.25% |
| • 2% at 62: | EE 10.205% | ER 16.15% | • DBS 2% at 62: | EE 9.00% | ER 8.25% |
| • RWP 2% at 60: | EE 10.25% | ER 16.15% | | | |

Employer Rate

16.28%
17.10%
16.15%

Effective Date

FY2018-19
FY2019-20
FY2020-21

Reference:

Ed Codes 22901, 22950, 22951 and Government Code 7522.30

STRS St-Ded for W4 and PR Screen

TFNSR - STRS Non-Member RS: 05

T: State & Federal
F: Social Security & Medicare
N: No SDI
SR: STRS Report Only, No Contribution

TMNSR - STRS Retiree RS: 03

T: State & Federal
M: Medicare
N: No SDI
SR: STRS Report Only, No Contribution

TMNSRW - STRS Member RWP RS: 01

T: State & Federal
M: Medicare
N: No SDI
SRW: STRS Contributions are based on Ret. Base (Pay Rate) instead of Earnings. Employer Rate changes every fiscal year. RWP is ONLY for Members **2% at 60**

TMNS - STRS Member RS: 01 or 11

T: State & Federal
M: Medicare
N: No SDI
S: STRS Contributions

TMNN - Non Reportable

Used for Specific Circumstances:

- Vacation Pay Off
- Retirement Incentives Paid AFTER Retirement

TFNN - Non Reportable

Used for Specific Circumstances:

- Classified Position that does Not meet the requirements for CalSTRS Election

NOTE:

Districts that offer Alternative Retirement Plans for **Non-Members**, use PAR, ING or APP as your 4th through 6th character option for St-Ded. These plans require 8XXX Vol-Ded.

STRS AC-P-C Codes for W4 and PR Screens

AC = Assignment Code

- 36 = Reduced Workload Program, **Board & STRS Approval Required (RWP)**
- 44 = Substitute **Year Round School ONLY**
- 45 = Part-Time, Hourly/Daily Rate or Adult Ed **Year Round School ONLY**
- 46 = Sabbatical **Year Round School ONLY**
- 47 = Full or Part-Time Contract **Year Round School ONLY**
- 54 = Substitute Hourly/Daily
- 55 = Part-Time Hourly/Daily or Adult Ed
- 56 = Sabbatical
- 57 = Full or Part Time Contract
- 58 = Hourly/Part-Time **Community College ONLY**
- 61 = Retired Teacher
- 62 = Exchange/Sojourn Teacher **Must have a contract with foreign country's education department**
- 71 = Defined Benefit Supplemental (DBS) 2% at 60
- 72 = Defined Benefit (DB) 2% at 62

P = Pay Code

- 0 = Annual Member or Special Compensation
- 1 = Twelve Month Contract
- 2 = Eleven Month Contract
- 3 = Ten Month Contract
- 4 = Hourly Rate **Non-Member or Retiree**
- 8 = Daily Rate **Non-Member or Retiree**

Service Credit Calculation	
<u>Pay Code</u>	<u>Service Credit Formula</u>
0	Earnings ÷ Pay Rate
1	Earnings ÷ Pay Rate ÷ 12
2	Earnings ÷ Pay Rate ÷ 11
3	Earnings ÷ Pay Rate ÷ 10

C = Contribution Code

- 0 = No Contributions: **Non-Member, Retiree or IRC Limit CAP**
- 1 = Current: **Member with Contributions**
- 3 = Arrears: Prior Period EARNINGS Adjustment, **DOES Generate Service Credit**
- 5 = Retro: Ret. Base (Pay Rate) Change, **DOES NOT Generate Service Credit**
- 6 = Special Compensation (SPC): *Member, Non-member or Retiree*, **DOES NOT Generate Service Credit**

STRS Guide to AC-P-C Codes for Members

Members “Conventional School” RS: 01 or 11 & St-Ded: TMNS

	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base (Pay Rate)</u>
10 Month Contract	57-3-1	57-3-3	57-3-5	Monthly
11 Month Contract	57-2-1	57-2-3	57-2-5	Monthly
12 Month Contract	57-1-1	57-1-3	57-1-5	Monthly
SPC DB 2% at 60	57-0-6	57-0-6	57-0-6	Rate = Ret. Base Always
Substitutes	54-0-1	54-0-3	54-0-5	Annual
Part-Time/Adult Ed	55-0-1	55-0-3	55-0-5	Annual
SPC DBS 2% at 60	71-0-6	71-0-6	71-0-6	Rate = Ret. Base Always
SPC DB 2% at 62	72-0-6	72-0-6	72-0-6	Rate = Ret. Base Always

Members “Year Round School” RS: 01 or 11 & St-Ded: TMNS

<u>Luther Burbank ONLY</u>	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base (Pay Rate)</u>
10 Month Contract	47-3-1	47-3-3	47-3-5	Monthly
11 Month Contract	47-2-1	47-2-3	47-2-5	Monthly
12 Month Contract	47-1-1	47-1-3	47-1-5	Monthly
SPC DB 2% at 60	47-0-6	47-0-6	47-0-6	Rate = Ret. Base Always
Substitutes	44-0-1	44-0-3	44-0-5	Annual
Part-Time/Adult Ed	45-0-1	45-0-3	45-0-5	Annual
SPC DBS 2% at 60	71-0-6	71-0-6	71-0-6	Rate = Ret. Base Always
SPC DB 2% at 62	72-0-6	72-0-6	72-0-6	Rate = Ret. Base Always

Members on “Reduced Workload Program” RS: 01 & St-Ded: TMNSRW

	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base (Pay Rate)</u>
10 Month Contract	36-3-1	ARREARS & RETRO for RWP Contact your Accounting Specialist for guidance		Monthly for NML
11 Month Contract	36-2-1			Monthly for NML
12 Month Contract	36-1-1			Monthly for NML
SPC DB 2% at 60	36-0-6	36-0-6	36-0-6	Rate = Ret. Base

IMPORTANT:

- RWP requires Board and STRS approval prior to start of the RWP assignment.
- Ret. Base (Pay Rate) for RETRO is the Retro amount at 100% FTE.

Reference: EIC Vol. 26 Issue 3 and Vol.27 Issue 3, Employer Direct 2013-03, Ed Code 22713

STRS Guide to AC-P-C Codes for Community Colleges

Members “Community College” RS: 01 or 11 & St-Ded: TMNS

	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base (Pay Rate)</u>
10 Month Contract	57-3-1	57-3-3	57-3-5	Monthly
11 Month Contract	57-2-1	57-2-3	57-2-5	Monthly
12 Month Contract	57-1-1	57-1-3	57-1-5	Monthly
SPC DB 2% at 60	57-0-6	57-0-6	57-0-6	Rate = Ret. Base Always
Substitutes	54-0-1	54-0-3	54-0-5	Annual
Part-Time Faculty	58-0-1	58-0-3	58-0-5	Annual
SPC DBS 2% at 60	71-0-6	71-0-6	71-0-6	Rate = Ret. Base Always
SPC DB 2% at 62	72-0-6	72-0-6	72-0-6	Rate = Ret. Base Always

<u>Classification Code</u>	<u>Base Hours (minimum)</u>
01 – Lab Instructor	525
02 – Lecturer /General Instructor	525
03 – Adult Education Instructor	875
04 – Librarian	1050
05 – Counselor	1050

NOTE:

For **Part-time Faculty Members and Non-Member (AC: 58)**, use Classification Codes and Base Hours on the pay line.

Non-Members “Community College” RS: 05

	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base (Pay Rate)</u>
10 Month Contract	57-3-0	57-3-3	57-3-5	Monthly
11 Month Contract	57-2-0	57-2-3	57-2-5	Monthly
12 Month Contract	57-1-0	57-1-3	57-1-5	Monthly
SPC	57-0-6	57-0-6	57-0-6	Rate = Ret. Base Always
Substitutes	54-4-0	54-4-3	54-4-5	Hourly
Substitutes	54-8-0	54-8-3	54-8-5	Daily
Part-Time Faculty	58-4-0	58-4-3	58-4-5	Hourly
Part-Time Faculty	58-8-0	58-8-3	58-8-5	Daily

NOTE:

Districts that offer Alternative Retirement Plans for **Non-Members**, use PAR, ING or APP as your 4th through 6th character option for St-Ded. These plans require 8XXX Vol-Ded

Reference:

EIC09-12 Vol. 25 Issue 12: Community College Reporting to the Defined Benefit Program for Part-time Faculty & Employer Directive 2009-03 Community College Reporting Assignment Codes.

STRS Guide to AC-P-C Codes for Non-Members

Non-Members “Conventional School” RS: 05 & St-Ded: TFNSR

	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base (Pay Rate)</u>
10 Month Contract	57-3-0	57-3-3	57-3-5	Monthly
11 Month Contract	57-2-0	57-2-3	57-2-5	Monthly
12 Month Contract	57-1-0	57-1-3	57-1-5	Monthly
SPC	57-0-6	57-0-6	57-0-6	Rate = Ret. Base Always
Substitutes	54-4-0	54-4-3	54-4-5	Hourly
Substitutes	54-8-0	54-8-3	54-8-5	Daily
Part-Time/Adult Ed	55-4-0	55-4-3	55-4-5	Hourly
Part-Time/Adult Ed	55-8-0	55-8-3	55-8-5	Daily

Non-Members “Year Round School” RS: 05 & St-Ded: TFNSR

<u><i>Luther Burbank ONLY</i></u>	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base (Pay Rate)</u>
10 Month Contract	47-3-0	47-3-3	47-3-5	Monthly
11 Month Contract	47-2-0	47-2-3	47-2-5	Monthly
12 Month Contract	47-1-0	47-1-3	47-1-5	Monthly
SPC	47-0-6	47-0-6	47-0-6	Rate = Ret. Base Always
Substitutes	44-4-0	44-4-3	44-4-5	Hourly
Substitutes	44-8-0	44-8-3	44-8-5	Daily
Part-Time/Adult Ed	45-4-0	45-4-3	45-4-5	Hourly
Part-Time/Adult Ed	45-8-0	45-8-3	45-8-5	Daily

NOTE:

Districts that offer Alternative Retirement Plans for **Non-Members**, use PAR, ING or APP as your 4th through 6th character option for St-Ded. These plans require 8XXX Vol-Ded

STRS Guide to AC-P-C Codes for Exchange/Sojourn

Non-Members Exchange/Sojourn RS: 05

	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base (Pay Rate)</u>
10 Month Contract	62-3-0	62-3-3	62-3-5	Monthly
11 Month Contract	62-2-0	62-2-3	62-2-5	Monthly
12 Month Contract	62-1-0	62-1-3	62-1-5	Monthly
SPC	62-0-6	62-0-6	62-0-6	Rate = Ret. Base Always
Substitutes	62-4-0	62-4-3	62-4-5	Hourly
Substitutes	62-8-0	62-8-3	62-8-5	Daily
Part-Time/Adult Ed	62-4-0	62-4-3	62-4-5	Hourly
Part-Time/Adult Ed	62-8-0	62-8-3	62-8-5	Daily

- District must have contractual agreement with foreign country’s education department
- Must be board approved

IMPORTANT:

Any teacher employed by school district through a process established in Education Code 44853 or 44856 is considered an “exchange” or “sojourn” teacher irrespective of their visa status.

Persons serving as exchange teachers or sojourn teachers from outside of California are excluded from both membership in the Defined Benefit Program (DB) and participating in the Cash Balance Benefit Program (CB) pursuant to Education Code 22601.

Reference:

Ed Code 22601, 44853 and 44856

CalSTRS Employer Information Circular Volume 23; Issue 13

IRS Publication 15 (Circular E) page 41 and IRS Publication 515 page 36, 37

IRS Alien Liability for Social Security and Medicare Taxes of Foreign Teachers, Foreign Researchers, and Other Foreign Professionals

STRS Guide to AC-P-C Codes for Retirees

Retired RS: 03 & St-Ded: TMNSR

	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base (Pay Rate)</u>
10 Month Contract	61-3-0	61-3-3	61-3-5	Monthly
11 Month Contract	61-2-0	61-2-3	61-2-5	Monthly
12 Month Contract	61-1-0	61-1-3	61-1-5	Monthly
SPC	61-0-6	61-0-6	61-0-6	Rate = Ret. Base Always
Substitutes	61-4-0	61-4-3	61-4-5	Hourly
Substitutes	61-8-0	61-8-3	61-8-5	Daily
Part-Time/Adult Ed	61-4-0	61-4-3	61-4-5	Hourly
Part-Time/Adult Ed	61-8-0	61-8-3	61-8-5	Daily

Working After Retirement:

If retirees return to work after service retirement in a position with the California public schools system as an employee, an employee of a third party, or an independent contractor, the following restrictions apply:

- Retirees cannot work in a classified position except, under certain circumstances such as a teacher's aide
- Retirees cannot earn more than the annual postretirement earnings limit without affecting their CalSTRS retirement benefit.
 - Earnings limit for 2019-20 is \$46,451
 - Earnings limit for 2020-21 is \$47,713
 - If the earnings go over the limit, their benefit will be reduced dollar by dollar
- **A 180-Calendar Day Wait Period** is required for a retiree to return to work.
 - If retirees return to work before the 180-calendar day waiting period, their benefit will be reduced dollar by dollar

Reference:

Ed Code 24214 & 24214.5

Notification and Reporting of Post-Retirement Earnings by Employer:

In accordance with Education Code Section 22461, upon retaining the services of a retired CalSTRS member, the employer is required to:

- Notify the retired member of all earnings limits and the retirement incentive employment restrictions, if applicable.
- Maintain accurate records of the retired member's earnings.
- **Report those earnings to the retired member and to CalSTRS monthly, using Member Code 2 and Assignment Code 61, regardless of the method of payment or the fund from which the payments were made.**

STRS Guide to AC-P-C Codes for Retirees (Cont'd)

Reporting postretirement earnings of retired CalSTRS member who performs services as an Independent Contractor

District Responsibilities:

- When hiring independent contractors who are also CalSTRS retirees, note the requirements of Education Code 22461.
- Notify the independent contractor of their responsibility for retired CalSTRS member’s earnings limitations and any retirement incentive employment restrictions that may be applicable (CalSTRS Employer Directive 2018-01).
- If hiring an independent contractor, maintain accurate records of the retired member’s earnings.
- Report the earnings of independent contractor retirees to CalSTRS each month.
- For retired CalSTRS members who perform services as independent contractors, report the earnings with Member Code 2 and Assignment Code 61 to CalSTRS each month using the following steps:
 1. Create Demographic (MA) for an independent contractor or an employee of a third party in the QCC Employee Maintenance screen.
 - ❖ Last Name
 - ❖ First Name
 - ❖ Mailing Address
 - ❖ Hire Date
 - ❖ Date of Birth
 2. Maintain an excel spreadsheet to report the monthly earnings to CalSTRS. The template should be similar to the one below.

DISTRICT NAME: ABC											
REPORTING MONTH: January 2019											
SS#	CalSTRS ID	Retirees (Last, First Name)	Member Code	Acct Code	Units	Pay Rate	Pay Code	Earnings	Contribution Code	Service Began	Service Ended
XXX-XX-XXXX	XXXXXXXXXX	Example, One	2	61	Hours	Hourly	4	Hourly Rate x Units	0	1/1/2019	1/31/2019
XXX-XX-XXXX	XXXXXXXXXX	Example, Two	2	61	Days	Daily	8	Daily Rate x Units	0	1/1/2019	1/31/2019
XXX-XX-XXXX	XXXXXXXXXX	Example, Three	2	61	1	Lump Sum	0	Lump Sum	0	1/1/2019	1/31/2019

3. Email the spreadsheet to your assigned DBAS accounting specialist by 5:00 PM on the closing day of the “End of Month” payroll.

DBAS Responsibilities:

- DBAS accounting specialists will manually input the retired CalSTRS member’s earnings information from the spreadsheet provided by each district to the QCC Retirement module each month.

Reference: DBAS Bulletin 19-031

STRS Coding for Creditable Compensation Normal Salary

Salary and other earnings paid by the employer under a publicly available written contractual agreement (Salary Schedule) to everyone in the same class of employees and paid to perform creditable service.

Reporting Full – Time Contract for 12 month employee:

- Monthly Ret. Base/Pay Rate for **12 month contract** report with **Pay Code 1** paying from **July to June**
 - ❖ For example: annual salary for Principal, High School is \$144,196.83 ÷ 12 = \$12,016.40
- **DO NOT** add or combine additional duties or outgrowth activities to Normal Salary (57-1-1)

Reporting Part – Time Contract for 12 month employee:

- Monthly Ret. Base/Pay Rate for **12 month contract** should ALWAYS reflect 100% FTE regardless of the FTE the employee is contracted with

PR Screen Pay Line Sample:

AC-P-C 57-1-1, Pay Type NML, Pay Schd EOMREG, Ret. Base Monthly

Pos Code 004394 PRINCIPAL HIGH	Job Code 321060 PRINCIPAL - H/S	Work Loc 1420													
Bonus 1	Bonus 2	Bonus 3	Bonus 4	Bonus 5	Bonus 6	Bonus 7	Bonus 8	Bonus 9	Bonus 10	Total					
										0					
Pay:										0.00					
Ret:										0.00					
D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC	SCT
	12,016.40	1.00	L		12,016.40	NML	TMNS			12,016.40	57	1	1		
Adjustment >	0.00	0.00			0.00	NML				0.00	57	1	1		
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	ACA Hours	Days Worked	FTD Paid				
	EOMREG	0.00	1		/ /	/ /		0.00 / 00	0.00	0.00	36,049.20				

Sample of Salary Schedule:

2015-2016 Certificated Management Salary Schedule (Effective July 1, 2015)

Position	Required Days	Months	Range	Yearly						
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Associate Superintendent	225	12	93	\$152,670.93	\$153,616.16	\$158,830.75	\$164,065.21	\$164,065.21	\$166,996.66	\$168,932.11
Assistant Superintendent-Business	225	12	1	\$161,441.36	\$167,509.30	\$173,553.55	\$179,621.34	\$179,621.34	\$182,850.17	\$186,079.00
Assistant Superintendent	225	12	88	\$143,246.95	\$148,401.83	\$153,536.59	\$158,691.34	\$158,691.34	\$161,434.32	\$164,177.29
Director I (Bond)	225	12	77	\$131,427.51	\$136,640.90	\$141,855.23	\$147,049.83	\$147,049.83	\$149,583.46	\$152,117.09
Director I	225	12	78	\$130,007.51	\$135,220.90	\$140,435.23	\$145,629.83	\$145,629.83	\$148,163.46	\$150,697.09
Principal, High School	225	12	79	\$128,574.51	\$133,787.90	\$139,002.23	\$144,196.83	\$144,196.83	\$146,730.46	\$149,264.09

STRS Coding for Creditable Compensation Normal Salary (Cont'd)

Reporting Full – Time Contract for 11 month employee:

- Monthly Ret. Base/Pay Rate for **11 month contract** report with **Pay Code 2** paying from **August to June**
 - ❖ For example: annual salary for Vice Principal, Middle School is \$120,440.57 ÷ 11 = \$10,949.14
- **DO NOT** add or combine additional duties or outgrowth activities to Normal Salary (57-2-1)

Reporting Part – Time Contract for 11 month employee:

- Monthly Ret. Base/Pay Rate for **11 month contract** should ALWAYS reflect 100% FTE regardless of the FTE the employee is contracted with

PR Screen Pay Line Sample:

AC-P-C 57-2-1, Pay Type NML, Pay Schd E11B07 or E11R07, Ret. Base Monthly

Pos Code 005506	VICE PRINCIPAL	Job Code 322050	VICE PRIN-M/S	Work Loc 1210											
Bonus 1	Bonus 2	Bonus 3	Bonus 4	Bonus 5	Bonus 6	Bonus 7	Bonus 8	Bonus 9	Bonus 10	Total					
										0					
Pay:										0.00					
Ret:										0.00					
D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC	SCT
	10,949.14	1.00	L		10,949.14	NML	TMNS			10,949.14	57	2	1		1
Adjustment >	0.00	0.00			0.00	NML				0.00	57	2	1		1
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	ACA Hours	Days Worked	FTD Paid				
	E11B07	0.00	1					0.00 / 00	0.00	0.00	87,593.12				

Sample of Salary Schedule:

2015-2016 Certificated Management Salary Schedule (Effective July 1, 2015)										
Position	Required Days	Months ***	Range	Yearly	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Associate Superintendent	225	12	93		\$152,670.93	\$153,616.16	\$158,830.75	\$164,065.21	\$164,065.21	\$166,996.66
Assistant Superintendent-Business	225	12	1		\$161,441.36	\$167,509.30	\$173,553.55	\$179,621.34	\$179,621.34	\$182,850.17
Assistant Superintendent	225	12	88		\$143,246.95	\$148,401.83	\$153,536.59	\$158,691.34	\$158,691.34	\$161,434.32
Director I (Bond)	225	12	77		\$131,427.51	\$136,640.90	\$141,855.23	\$147,049.83	\$147,049.83	\$149,583.46
Director I	225	12	78		\$130,007.51	\$135,220.90	\$140,435.23	\$145,629.83	\$145,629.83	\$148,163.46
Principal, High School	225	12	79		\$128,574.51	\$133,787.90	\$139,002.23	\$144,196.83	\$144,196.83	\$146,730.46
Principal, Middle School	225	12	71		\$121,408.29	\$126,563.17	\$131,697.93	\$136,852.82	\$136,852.82	\$139,243.12
Principal, Continuation HS	225	12	71		\$121,408.29	\$126,563.17	\$131,697.93	\$136,852.82	\$136,852.82	\$139,243.12
Assistant Director	225	12	70		\$122,841.29	\$127,996.17	\$133,130.93	\$138,285.82	\$138,285.82	\$140,676.12
Director II	225	12	69		\$121,972.60	\$127,206.79	\$132,421.25	\$137,635.97	\$137,635.97	\$139,980.51
Coordinator	225	12	68		\$119,011.60	\$124,245.79	\$129,460.25	\$134,674.97	\$134,674.97	\$137,019.51
Principal, Ed Options	220	11.75	69		\$114,784.37	\$120,274.06	\$125,707.63	\$130,517.05	\$130,517.05	\$132,812.74
Coordinator @ 210	210	11.25	69		\$111,684.94	\$116,591.99	\$121,480.54	\$126,369.35	\$126,369.35	\$128,567.35
Principal, Elementary	210	11.25	69		\$111,684.94	\$116,591.99	\$121,480.54	\$126,369.35	\$126,369.35	\$128,567.35
Vice Principal, High School	210	11.25	65		\$107,811.81	\$112,681.88	\$117,551.69	\$122,440.25	\$122,440.25	\$124,562.86
Assistant Principal, High School	200	10.75	62		\$100,486.13	\$105,119.45	\$109,776.53	\$114,421.91	\$114,421.91	\$116,393.77
Vice Principal, Middle School	210	11.25	61		\$103,841.99	\$108,693.31	\$113,544.75	\$118,395.95	\$118,395.95	\$120,440.57
Assistant Principal, Middle	200	10.75	59		\$95,815.36	\$100,469.10	\$105,122.36	\$109,793.76	\$109,793.76	\$111,710.07

STRS Coding for Creditable Compensation Normal Salary (Cont'd)

Reporting Full – Time Contract for 10 month employee:

- Monthly Pay Ret. Base/Rate for **10 month contract** report with **Pay Code 3** paying from **August to May or September to June**
 - ❖ For example: annual salary for Teacher is \$96,297 ÷ 10 = \$9,629.70
- **DO NOT** add or combine additional duties or outgrowth activities to Normal Salary (57-3-1)

Reporting Part – Time Contract for 10 month employee:

- Monthly Ret. Base/Pay Rate for **10 month contract** should ALWAYS reflect 100% FTE regardless of the FTE the employee is contracted with

PR Screen Pay Line Sample:

AC-P-C 57-3-1, Pay Type NML, Pay Schd E10B06, E10R06 or E10B07, E10R07, Ret. Base Monthly

Pos Code	Job Code 113002 TEACHER MUSIC K/5		Work Loc												
Bonus 1	Bonus 2	Bonus 3	Bonus 4	Bonus 5	Bonus 6	Bonus 7	Bonus 8	Bonus 9	Bonus 10	Total					
										0					
Pay:											0.00				
Ret:											0.00				
D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	W/SC	SCT
	9,629.70	1.00	L	P	9,629.70	NML	TMNS			9,629.70	57	3	1		1
Adjustment >	0.00	0.00			0.00	NML				0.00	57	3	1		1
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	ACA Hours	Days Worked	FTD Paid				
	E10R07	0.00	1					0.00 / 00	0.00	0.00	66,105.50				

Sample of Salary Schedule:

	Col. VII 60 Units	Col. VIII 65 Units	Col. IX 70 Units	Col. X 75 Units	Col. XI 80 Units	Col. XII 85 Units	Col. XIII 90 Units	
Step A	63,668	65,103	66,539	67,976	69,412	70,849	72,283	Step A
Step B	64,356	65,801	67,244	68,689	70,138	71,581	73,026	Step B
Step C	65,239	66,693	68,146	69,600	71,056	72,510	73,963	Step C
Step D	66,165	67,629	69,091	70,554	72,016	73,481	74,944	Step D
Step E	70,646	72,117	73,589	75,061	76,534	78,005	79,477	Step E
Step F	72,095	73,577	75,056	76,539	78,020	79,501	80,983	Step F
Step G	73,769	75,259	76,749	78,239	79,730	81,220	82,710	Step G
Step H	76,269	77,767	79,267	80,765	82,266	83,766	85,263	Step H
Step I	79,259	80,767	82,274	83,784	85,291	86,801	88,307	Step I
Step J	83,779	85,296	86,813	88,331	89,849	91,366	92,883	Step J
Step K	87,142	88,667	90,194	91,720	93,245	94,774	96,297	Step K
Step L	88,668	90,193	91,721	93,246	94,772	96,298	97,825	Step L
Step M	90,194	91,720	93,247	94,774	96,297	97,826	99,351	Step M
Step N	91,721	93,246	94,775	96,298	97,825	99,352	100,877	Step N

STRS Coding for Various Compensation Types

Section 27401 of the regulations clarifies compensation that is considered remuneration in addition to salary. The compensation must be paid in cash in accordance with a publicly available written contractual agreement, and the compensation is not associated with the performance of additional service. Remuneration in addition to salary is compensation that meets a qualification or requirement on the list below.

Compensation Types:

- Possession or attainment of a certificate, license, special credential
- Master Degree and/or Doctoral
- Career or service longevity

These stipends are ongoing, STRS permanent and paid on a monthly basis as earned.

When is it allowable to keep these stipends built in to the NML pay line?

- Whenever there is a COLA increase to the base salary (Base Ret), the compensation types outlined above MUST receive an increase at the same time of negotiations for the same percentage amount.
- Whenever you have a class of employees where the salary, degree and/or longevity are all part of the written contractual agreement.

PR Screen Pay Line Sample: **Base Ret + Bonus 1 + Bonus 2 = Ret. Base in QCC** (at CalSTRS it's Pay Rate)

1 / 1 - NML		2 / 2 - HR																								
Placement		FTE	M	Adj	Hr Rt	Base Pay	Base Ret	O	Mo/Yr	Da/Yr	Hr/Day	Work Cal	BU													
		1.0000		<input type="checkbox"/>	0.00	0.00	8,545.50	8,545.50	<input type="checkbox"/>	0.00	0.00	0.00	0000	01												
Pos Code				Job Code				Work Loc																		
				113000				SPEC ED-RESOURCE SPECIALIST				0015				CURTNER ELEMENTARY SCHOOL										
Bonus 1		Bonus 2		Bonus 3		Bonus 4		Bonus 5		Bonus 6		Bonus 7		Bonus 8		Bonus 9		Bonus 10		Total						
CE MA		CELG28																		2						
Pay:		221.00		1,105.00																1,326.00						
Ret:		221.00		1,105.00																1,326.00						
D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC	SCT											
	9,871.50	1.00	L	P	9,871.50	NML	TNNS			9,871.50	57	3	1													
Adjustment >	0.00	0.00			0.00	NML				0.00	57	3	1													
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid																	
	E10R06	0.00	1		/ /	/ /		0.00 / 00	59,229.00																	

STRS Coding for Various Compensation Types (Cont'd)

When is it NOT allowable to keep these stipends built in to the NML pay line?

If the stipends are ongoing, permanent and paid on a monthly basis, **BUT** will **NOT** receive a COLA increase during regular base salary (Base Ret) negotiations, then it should be reported as a separate Pay Line to Defined Benefit as a special compensation.

These stipends do not generate service credit; however, they do remain in the DB account and are factored into the members' final compensation at the time of retirement.

AC-P-C codes for these stipends:

- For Members **2% at 60** Report as **57-0-6**
- For Members **2% at 62** Report as **72-0-6**

PR Screen Pay Line Sample: **Rate = Ret. Base in QCC**

Bonus 1	Bonus 2	Bonus 3	Bonus 4	Bonus 5	Bonus 6	Bonus 7	Bonus 8	Bonus 9	Bonus 10	Total	Pct
MASTER										1	0.00
Pay:	90.91									90.91	0.00
Ret:	90.91									90.91	0.00

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC	SCT
	90.91	1.00	L	P	90.91	DEGN	TMNS			90.91	57	0	6		
Adjustment >	0.00	0.00			0.00	DEGN				0.00	57	0	6		

Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid
	E11R07	0.00	1					0.00 / 00	90.91

The following NML-like pay types are available for these types of compensation and they are encumbered:

- **CREN** for Possession or Attainment of a Certificate, License or Special Credential
- **DEGN** for Master Degree and/or Doctoral
- **LOGN** for Career or Service Longevity

IMPORTANT:

When a member's CC6 lines total exceeds \$15,000.00 the system will flag with edit code MO B109. These lines will need to be approved by the employer. STRS will request documentation to support validity of CC6.

STRS Coding for Various Compensation Types (Cont'd)

Additional Duties

If the additional assignment (extra duty) is for performance in a position that **requires a credential/certificate, and is determined to be creditable by itself**, then that position should have its own annual earnable established in accordance with Ed Code 22138.5

Additional Duties generate service credit; service credit in excess of a 1.000 gets automatically transferred to the DBS account at the end of the fiscal year.

For **2% at 60** and **2% at 62**, report with AC-P-C **55-0-1**

Additional Duties include but are not limited to:

- Teaching an Extra Period
- Attending Trainings
- Summer School
- Professional Development
- Teacher In Charge
- Mentor Teacher
- Preparing for a Class or Workshop

Non Time-Based assignments are NOT based on hours or days. These are lump-sum payments:

- The Ret. Base/Pay Rate for these stipends should be the annual earnable assigned.

PR Screen Pay Line Sample: **Non Time-Based**

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C
▼	1,222.91	1.00	L ▼	P ▼	1,222.91	SPC ▼	TMNS ▼	<input type="checkbox"/>	<input type="checkbox"/>	67,258.95	55	0	1

NOTE:

The appropriate pay type must be used to report the additional duties correctly. If this is a one-time payment, remember to use **LZ**, instead of **L**.

Time-Based assignments are based on certain numbers of days or hours required to do the additional assignment:

- The Ret. Base/Pay Rate should be annualized hourly or daily rate based on assignment (reference pages 115 - 116)

PR Screen Pay Line Sample: **Time-Based**

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C
▼	25.00	1.00	H ▼	U ▼	25.00	HR ▼	TMNS ▼	<input type="checkbox"/>	<input type="checkbox"/>	27,750.00	55	0	1

STRS Coding for Various Compensation Types (Cont'd)

Outgrowth Activities

Outgrowth activities **DO NOT** require a credential/certificate.

They are **ONLY** creditable (reportable) when being performed by a member who is already performing creditable service (normal salary or substitute position) at your district.

Reference:

Chapter 782 amends Ed Code 22119.5 and 26113

Outgrowth activities generate service credit; service credit in excess of a 1.000 gets automatically transferred to the DBS account at the end of the fiscal year.

Outgrowth Activities include but are not limited to:

- Coaching Activity
- Camps/Clinic
- Department Chair
- Music/Band Director
- Noon Duty Supervision by Certificated Staff
- Science Fair Coordinator
- Yearbook Editor

Non Time-Based assignments are NOT based on hours or days. These are lump-sum payments:

- The compensation earnable must be the lowest Ret. Base/Pay Rate the member earned for the same employer within the same fiscal year.
 - ❖ If the lowest Ret. Base/Pay Rate changes within the same fiscal year for the same employer, then the OLD (higher) Ret. Base/Pay Rate for the outgrowth activity must be reversed and reported with the NEW (lower) Ret. Base/Pay Rate.
 - ✚ For example: a member earning \$50,000 a year also performs an outgrowth activity. The employer would report the outgrowth activity with Ret. Base/Pay Rate of \$50,000. If the member later performs substitute service with Ret. Base/Pay Rate of \$18,000 within the same fiscal year for the same employer, the outgrowth activity previously reported with a \$50,000 Ret. Base/Pay Rate needs to be reversed and reported with Ret. Base/Pay Rate of \$18,000.
 - ❖ Outgrowth activities **usually** fall under the Non Time-Based assignment category.
 - ❖ However, the reporting regulations are different for 2% at 60 and 2% at 62.

Time-Based assignments are based on certain numbers of days or hours required to perform outgrowth activities:

- Ret. Base/Pay Rate should be annualized hourly or daily rate based on assignment (reference pages 115 – 116)

STRS Coding for Various Compensation Types (Cont'd)

- **For Members 2% at 60** – Report to CalSTRS even if the compensation is not paid as earned.
 - ❖ Lump sums paid at the conclusion of the assignment **ARE** reportable to CalSTRS.

PR Screen Pay Line Sample: **Non Time-Based**

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C
	1,000.00	1.00	LZ		1,000.00	CCH	TMNS			50,158.00	55	0	1

PR Screen Pay Line Sample: **Time-Based**

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C
	25.00	1.00	H	U	25.00	HR	TMNS			27,750.00	55	0	1

- **For Member 2% at 62** – Report to CalSTRS ONLY if the compensation is paid at each period in which the creditable service is performed.

PR Screen Pay Line Sample: **Non Time-Based, Paid as earned**

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C
	500.00	1.00	LZ		500.00	CCH	TMNS			50,000.00	55	0	1
	0.00	0.00			0.00	CCH	TMNS			0.00	55	0	1

Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	ACA Hours	Days Worked
EOMSUP	0.00	1					0.00 / 00	0.00	0.00

PR Screen Pay Line Sample: **Time-Based**

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C
	25.00	1.00	H	U	25.00	HR	TMNS			27,750.00	55	0	1

- ❖ Lump sums paid at the conclusion of the assignment are **NOT** reportable to CalSTRS.

PR Screen Pay Line Sample: **Non Time-Based, Paid as lump sum payment**

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C
	1,500.00	1.00	LZ		1,500.00	CCH	TMNN			50,000.00	00	0	0
	0.00	0.00			0.00	CCH	TMNN			0.00	00	0	0

Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	ACA Hours	Days Worked
EOMSUP	0.00	1		02/01/2017	04/30/2017		0.00 / 00	0.00	0.00

STRS Coding for Various Compensation Types (Cont'd)

Compensation Paid a Limited Number of Times

Education Code section 22905 requires contributions on certain types of compensation be credited to the Defined Benefit Supplemental (DBS) Program. Section 27602 of the regulations clarifies contributions on compensation that is not ongoing, and is contingent upon either the availability of funds or meeting specified qualifications or requirements. These compensations are creditable to the DBS Program only.

Keep in mind that **reporting these stipends/bonuses incorrectly to Defined Benefit Program instead of the DBS Program** will have a significant impact on the member's final compensation. As a result, a retired member will be overpaid in service retirement benefit from the retirement date to the date the corrections are made by the employer.

IMPORTANT:
This is one of the most common Employer Audit Finding by STRS.

Stipends/Bonuses include but are NOT limited to:

- Retirement Incentives
- Off the Salary Schedule Payment
- Retention Bonus
- Twenty Years of Service
- Recruitment/Signing Bonus (Paid after service is performed)
- Achievement of a Performance Benchmark

If the bonus is **not ongoing** (it has an end date), **not permanent** (there are a maximum number of total payments), and a **one-time payment** (it is not scheduled to continue) report as follow:

AC-P-C codes for these Stipends/Bonuses are:

For Members **2% at 60** report as **71-0-6**, this will post directly to **DBS**

For Members **2% at 62** use AC-P-C **00-0-0**, this is **NOT** reportable

DBS RATE

Assignment Code **71**

EE **8.00%** ER **8.25%**

PR Screen Pay Line Sample: **Rate = Ret. Base** for Members 2% at 60

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC	SCT
▼	1,000.00	1.00	LZ	▼	1,000.00	DBS	TMNS			1,000.00	71	0	6		
▼	0.00	0.00	▼	▼	0.00	DBS	TMNS			0.00	71	0	6		

PR Screen Pay Line Sample: **Rate = Ret. Base** for Members 2% at 62

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC	SCT
▼	1,000.00	1.00	LZ	▼	1,000.00	SPC	TMNN			1,000.00	00	0	0		
▼	0.00	0.00	▼	▼	0.00	SPC	TMNN			0.00	00	0	0		

STRS Coding for Various Compensation Types (Cont'd)

Non-Creditable Compensation

Education Code Section 22119.2(c) defines compensation that is not creditable. Sections 27501 and 27505 of the regulations defines fringe benefit as an expense paid or reimbursed by an employer. Below are types of compensation that are **NOT** creditable and non-reportable:

For Both Members 2% at 60 and 2% at 62:

- Car allowance (TRV)
- Cash-in-lieu of any fringe benefits provided by an employer
- Housing allowance
- Employer Paid Member Contributions
- Payments to Section 125, 403(b), 457(b) by an employer
- Professional Dues
- Expenses paid or reimbursed by an employer
- Vacation
- Moving Classrooms Stipend

PR Screen Pay Line Sample: **Rate = Ret. Base** for Travel Allowance

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC	SCT
▼	200.00	1.00	L ▼	▼	200.00	TRV ▼	TMNN ▼			200.00	00	0	0		
▼	0.00	0.00	▼	▼	0.00	TRV ▼	TMNN ▼			0.00	00	0	0		

- Cell Phone allowance (CELL)

PR Screen Pay Line Sample: **Rate = Ret. Base** for Cell Allowance

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC	SCT
▼	80.00	1.00	L ▼	P ▼	80.00	CELL ▼	NNNN ▼			80.00	00	0	0		1
▼	0.00	0.00	▼	▼	0.00	CELL ▼	▼			0.00	00	0	0		1

Internal Revenue Code Section (IRC) 401(a)(17) Compensation Limit

IRC section 401(a)(17) limits creditable compensation that may be counted toward a CalSTRS retirement benefit for all persons who became a CalSTRS DB member or CB participant on or after July 1, 1996.

- Employees who became members **before July 1, 1996** are **exempt** from this compensation limit CAP
- Employees who became members on or after July 1, 1996, report as follow:

For Members 2% at 60:

- Compensation Limit from July 1, 2019 through June 30, 2020 is \$280,000
 - Compensation Limit from July 1, 2020 through June 30, 2021 is \$285,000
1. At the start of the fiscal year report earnings according to the contracted salary agreement.
 - ✚ You must report as normal salary to ensure the member actually does exceed the IRC limit for the year.
 2. When the member reaches the IRC limit CAP in the middle of the month, split the pay line, report up to the IRC limit CAP, and do not report the remaining earnings.
 3. For the remaining months, continue to pay the member their remaining salary, but do not report to CalSTRS, as those earnings are not pensionable (AC-P-C **00-0-0** with St-Ded **TMNN**).
 4. By June, the member has fulfilled their contracted salary agreement. On June EOM Payroll, the district will need to reverse and re-report pay lines for full year service credit.
 5. If the member has additional duties, in addition to the contracted salary agreement, that take him/her over the IRC limit CAP, then those earnings must be reversed and not reported.

MC	As Cd	Pay		Earnings	Contribution			Service Period		Service Credit	Report Period	Type of Compensation	QCC Pay Line	
		Rate	Cd		Rate	Cd	Amount	Start	End				St-Ded	AC-P-C
1	57	26,036.09	1	26,036.09	10.25%	1	2,668.70	07/01/2020	07/31/2020	0.0833	MO01	Salary+Degree	TMNS	57-1-1
1	57	26,036.09	1	26,036.09	10.25%	1	2,668.70	08/01/2020	08/31/2020	0.0833	MO02	Salary+Degree	TMNS	57-1-1
1	57	26,036.09	1	26,036.09	10.25%	1	2,668.70	09/01/2020	09/30/2020	0.0833	MO03	Salary+Degree	TMNS	57-1-1
1	57	26,036.09	1	26,036.09	10.25%	1	2,668.70	10/01/2020	10/31/2020	0.0833	MO04	Salary+Degree	TMNS	57-1-1
1	57	26,036.09	1	26,036.09	10.25%	1	2,668.70	11/01/2020	11/30/2020	0.0833	MO05	Salary+Degree	TMNS	57-1-1
1	57	26,036.09	1	26,036.09	10.25%	1	2,668.70	12/01/2020	12/31/2020	0.0833	MO06	Salary+Degree	TMNS	57-1-1
1	57	26,036.09	1	26,036.09	10.25%	1	2,668.70	01/01/2021	01/31/2021	0.0833	MO07	Salary+Degree	TMNS	57-1-1
1	57	26,036.09	1	26,036.09	10.25%	1	2,668.70	02/01/2021	02/28/2021	0.0833	MO08	Salary+Degree	TMNS	57-1-1
1	57	26,036.09	1	26,036.09	10.25%	1	2,668.70	03/01/2021	03/31/2021	0.0833	MO09	Salary+Degree	TMNS	57-1-1
1	57	26,036.09	1	26,036.09	10.25%	1	2,668.70	04/01/2021	04/30/2021	0.0833	MO10	Salary+Degree	TMNS	57-1-1
1	57	26,036.09	1	24,639.10	10.25%	1	2,525.51	05/01/2021	05/31/2021	0.0789	MO11	Salary+Degree	TMNS	57-1-1
1	57	26,036.09	1	(78,108.27)	10.25%	3	(8,006.10)	07/01/2020	09/30/2020	(0.2500)	MO12	Salary+Degree	TMNS	57-1-3
1	57	26,036.09	1	(78,108.27)	10.25%	3	(8,006.10)	10/01/2020	12/31/2020	(0.2500)	MO12	Salary+Degree	TMNS	57-1-3
1	57	26,036.09	1	(78,108.27)	10.25%	3	(8,006.10)	01/01/2021	03/31/2021	(0.2500)	MO12	Salary+Degree	TMNS	57-1-3
1	57	26,036.09	1	(50,675.19)	10.25%	3	(5,194.21)	04/01/2021	05/31/2021	(0.1622)	MO12	Salary+Degree	TMNS	57-1-3
1	57	23,750.00	1	71,250.00	10.25%	3	7,303.13	07/01/2020	09/30/2020	0.2500	MO12	Salary+Degree	TMNS	57-1-3
1	57	23,750.00	1	71,250.00	10.25%	3	7,303.13	10/01/2020	12/31/2020	0.2500	MO12	Salary+Degree	TMNS	57-1-3
1	57	23,750.00	1	71,250.00	10.25%	3	7,303.13	01/01/2021	03/31/2021	0.2500	MO12	Salary+Degree	TMNS	57-1-3
1	57	23,750.00	1	47,500.00	10.25%	3	4,868.75	04/01/2021	05/31/2021	0.1667	MO12	Salary+Degree	TMNS	57-1-3
1	57	23,750.00	1	23,750.00	10.25%	1	2,434.38	06/01/2021	06/30/2021	0.0833	MO12	Salary+Degree	TMNS	57-1-1
				285,000.00			29,212.50			1.0000				

Internal Revenue Code (IRC) Section 401(a)(17) Compensation Limit (Cont'd)

For Members 2% at 62:

- Compensation Limit from July 1, 2019 through June 30, 2020 is \$148,423
 - Compensation Limit from July 1, 2020 through June 30, 2021 is \$151,837
1. At the start of the fiscal year report earnings according to the contracted salary agreement.
 2. When the member reaches the IRC limit CAP in the middle of the month, split the pay line, report up to the IRC limit CAP, and you must continue to report the remaining earnings but without contributions (AC-P-C **57-1-0** with St-Ded **TMNSR**) for full year service credit.
 3. If the member has additional duties, in addition to the contracted salary agreement, that take him/her over the IRC limit CAP, then those earnings must be reversed and not reported.

MC	As Cd	Pay		Earnings	Contribution			Service Period		Service Credit	Report Period	Type of Compensation	QCC Pay Line	
		Rate	Cd		Rate	Cd	Amount	Start	End				St-Ded	AC-P-C
1	57	25,075.00	1	25,075.00	10.205%	1	2,558.90	07/01/2020	07/31/2020	0.0833	MO01	Salary+Degree	TMNS	57-1-1
1	57	25,075.00	1	25,075.00	10.205%	1	2,558.90	08/01/2020	08/31/2020	0.0833	MO02	Salary+Degree	TMNS	57-1-1
1	57	25,075.00	1	25,075.00	10.205%	1	2,558.90	09/01/2020	09/30/2020	0.0833	MO03	Salary+Degree	TMNS	57-1-1
1	57	25,075.00	1	25,075.00	10.205%	1	2,558.90	10/01/2020	10/31/2020	0.0833	MO04	Salary+Degree	TMNS	57-1-1
1	57	25,075.00	1	25,075.00	10.205%	1	2,558.90	11/01/2020	11/30/2020	0.0833	MO05	Salary+Degree	TMNS	57-1-1
1	57	25,075.00	1	25,075.00	10.205%	1	2,558.90	12/01/2020	12/31/2020	0.0833	MO06	Salary+Degree	TMNS	57-1-1
1	57	25,075.00	1	1,387.00	10.205%	1	141.54	01/01/2021	01/31/2021	0.0046	MO07	Salary+Degree	TMNS	57-1-1
1	57	25,075.00	1	23,688.00	10.205%	0	-	01/01/2021	01/31/2021	0.0787	MO07	Salary+Degree	TMNSR	57-1-0
1	57	25,075.00	1	25,075.00	10.205%	0	-	02/01/2021	02/28/2021	0.0833	MO08	Salary+Degree	TMNSR	57-1-0
1	57	25,075.00	1	25,075.00	10.205%	0	-	03/01/2021	03/31/2021	0.0833	MO09	Salary+Degree	TMNSR	57-1-0
1	57	25,075.00	1	25,075.00	10.205%	0	-	04/01/2021	04/30/2021	0.0833	MO10	Salary+Degree	TMNSR	57-1-0
1	57	25,075.00	1	25,075.00	10.205%	0	-	05/01/2021	05/31/2021	0.0833	MO11	Salary+Degree	TMNSR	57-1-0
1	57	25,075.00	1	25,075.00	10.205%	0	-	06/01/2021	06/30/2021	0.0833	MO12	Salary+Degree	TMNSR	57-1-0
				151,837.00			15,494.97			1.0000				

Reference: CalSTRS Employer Information Circular Volume 36; Issue 03

Compensation NOT Reportable to CalSTRS

Exclusions for both 2% at 60 and 2% at 62:

- Compensation not paid in cash to all persons in the same class and compensation paid for service that is not creditable.
- Compensation that is paid in addition to salary or wages, if it is not paid to all persons in the same class and in the same dollar amount or percentage.
- Compensation paid in exchange for the relinquishment of unused accumulated leave.
- Payments made by an employer, include but not limited to, for participation in a deferred compensation plan; to purchase an annuity contract, tax-deferred retirement plan or insurance program; and contributions to a plan that meets the requirements of Section 125, 401(a), 401(k), 403(b), or 457(f) of Title 26 of the United States Code.
- Cash in-lieu of Fringe Benefits, expenses paid or reimbursed by an employer.
- Severance pay, including lump-sum and installment payments, or money paid in excess of salary or wages to a member as compensatory damages or as a compromise settlement.
- Any other payments determined to not be "creditable compensation".
- An employer-provided allowance, reimbursement or payment, including, but not limited to, one made for housing, vehicle, uniform or a bonus.

Additional Exclusions for 2% at 62:

- Compensation not paid each pay period in which creditable service is performed for that position.
- Payments determined to have been made to enhance a member's contribution benefit.
- One-time or ad hoc payments.

Converting Hourly/Daily Rates to Annual Full Time Equivalent

Once a Non-Member mandatorily qualifies or permissively elects membership, you must report the Ret. Base/Pay Rate as Full Time Equivalent (100% FTE)

Ed Code: 22138.6, 22503, 22504

When to Annualize Ret. Base/Pay Rate:

- STRS Members working in Substitute daily or hourly position
- STRS Members working in Part-Time daily or hourly position
- STRS Members working in Adult Education hourly position

Converting Daily Rate to Annual:

Daily Pay Rate	X	# of Base Days	= Annual Pay Rate	Pay Code
125.00	X	185	= \$23,125.00	0

Based on
Your school calendar

This formula applies to AC-P-C codes:

- 54-0-1 Substitutes
 - 55-0-1 Part-Time (Additional Duties) or Adult ED
 - 58-0-1 Community College ONLY
- Please use the number of days or hours that pertain to your district and assignment
 - Please use the appropriate Pay Type that best applies to the rate and assignment

PR Screen Pay Line Sample: Ret. Base is annualized

Job Code		110101		K-8 SUBSTITUTE TEACHER		Work Loc							
Bonus 2	Bonus 3	Bonus 4	Bonus 5	Bonus 6	Bonus 7	Bonus 8	Bonus 9	Bonus 10					
D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C
	125.00	0.00	D	U	0.00	DLY	TMNS			23,125.00	54	0	1

Converting Hourly/Daily Rates to Annual Full Time Equivalent (Cont'd)

Converting Hourly Rate to Annual:

Hourly		# of		# of		Annual		Pay
<u>Pay Rate</u>	X	<u>Base Hours</u>	X	<u>Base Days</u>	=	<u>Pay Rate</u>		<u>Code</u>
34.40	X	8	X	220	=	\$60,544.00		0

Based on your school calendar

This formula applies to AC-P-C Codes:

- 54-0-1 Substitute
 - 55-0-1 Part-Time (Additional Duties) or Adult ED
 - 58-0-1 Community College ONLY
- Please use the number of days or hours that pertain to your district and assignment
 - Prior to annualizing hourly rates for Adult Ed, please verify whether the employee is working a 10, 11 or 12 month assignment/position and then annualize accordingly
 - Please use the appropriate Pay Schedule that corresponds to assignment/position
 - Please use the appropriate Pay Type that best applies to the rate and assignment

PR Screen Pay Line Sample: **Ret. Base is annualized**

				Job Code						Work Loc			
				711000		TEACHER ADULT ED				0000 District			
1	Bonus 2	Bonus 3	Bonus 4	Bonus 5	Bonus 6	Bonus 7	Bonus 8	Bonus 9	Bonus 10				
▼	▼	▼	▼	▼	▼	▼	▼	▼	▼				
D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C
▼	34.40	0.00	H	U	0.00	HR	TMNS			60,544.00	55	0	1
▼	0.00	0.00			0.00	HR	TMNS			0.00	55	0	1

STRS – When to Issue a RETRO

When an employees’ Ret. Base/Pay Rate changes due to:

- An approved and ratified collective bargaining agreement between School District Boards and Collective Bargaining Units
- A change in Step and Column

Example: A 10 month employee is receiving a 5% pay increase in January 2014 that Retro’s from September 2013 to December 2013

$$\frac{\text{New Rate} - \text{Old Rate}}{\text{RET Amount X \# of Months}} = \frac{\text{RET Amount to be issued}}{5,730.00 - 5,491.25 = 238.75 \quad \times \quad 4 \text{ months} = 955.00 \text{ Retro Amount}}$$

❖ AC-P-C code 57-3-5 with the NEW Ret. Base/Pay Rate

IMPORTANT:

- Retro increases the Ret. Base (Pay Rate) but it does not generate service credit
- Date should always cover the pay period for which the retro is being issued
- Keep in mind your late/change/term contracts and add the date accordingly
- Confirm that Pay Schedule corresponds to Pay Code:
 - Example: E10B07 with Pay Code 3 for 10 month contract
- Separate retro lines by pay rate/AC-P-C, do not combine different rates into one retro line
- Retro amount is driven by earnings received (FTE %)

PR Screen Pay Line Sample: **Ret. Base includes increase (New Pay Rate) and it’s always at 100% FTE**

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C																				
	955.00	0.00	LZ	P	0.00	RET	TMNS			5,730.00	57	3	5																				
Adjustment >	0.00	0.00			0.00	RET	TMNS			0.00	57	3	5																				
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Name</th> <th>Pay Schd</th> <th>HR/DAY</th> <th>S</th> <th>B</th> <th>Start</th> <th>End</th> <th>User</th> <th>Annual Contract</th> <th>FTD Paid</th> </tr> </thead> <tbody> <tr> <td></td> <td>E10B07</td> <td>0.00</td> <td>1</td> <td></td> <td>09/01/2013</td> <td>12/31/2013</td> <td></td> <td>0.00 / 00</td> <td>1,250.00</td> </tr> </tbody> </table>														Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid		E10B07	0.00	1		09/01/2013	12/31/2013		0.00 / 00	1,250.00
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid																								
	E10B07	0.00	1		09/01/2013	12/31/2013		0.00 / 00	1,250.00																								

Calculation Sample:

Pay	Rate				
NEW	OLD	EARNINGS	FTE	RETRO	Service Period
5,730.00	5,491.25	5,491.25	.100	238.75	SEPT
5,730.00	5,491.25	5,491.25	.100	238.75	OCT
5,730.00	5,491.25	5,491.25	.100	238.75	NOV
5,730.00	5,491.25	5,491.25	.100	238.75	DEC
Total Retro			Amount	955.00	

STRS – When to Issue ARREARS

When there is a change in FTE% (paid at higher or lower earnings amount NOT DUE to change in Ret. Base/Pay Rate), contribution code 3 is used to report corrections to prior period earnings.

- It DOES generate service credit and there is no change in Ret. Base/Pay Rate
- Should always be reported with a contribution code 3

Example:

- When processing February 2014 EOM payroll and an employee’s start date is January 24, 2014. Payroll was scheduled to close that same day. This employee is working as an 11 month 100% FTE with a Ret. Base (Pay Rate) of: \$8,723.45. The Arrears amount owed to the employee for the month of January 2014 is \$2,273.85. This is considered a late start contract adjustment.
- Paying late timesheets are considered arrears payments as well.

❖ AC-P-C code: 57-2-3 Ret. Base (Pay Rate) does NOT change

IMPORTANT:

- Date should always cover the pay period for which the arrears are being issued
- Keep in mind your late/change/term contract and add the date accordingly
- Confirm that Pay Schedule corresponds to Pay Code:
 - Example: E11B07 with Pay Code 2 for 11 month contract

PR Screen Pay Line Sample: **Ret. Base should always reflect 100% FTE**

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C
▼	2,273.85	0.00	LZ ▼	P ▼	0.00	ARR ▼	TMNS ▼			8,723.45	57	2	3
▼	0.00	0.00	▼	▼	0.00	ARR ▼	TMNS ▼			0.00	57	2	3
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract		FTD Paid			
	E11B07 ▼	0.00	1		01/24/2014 ▼	01/31/2014 ▼		0.00 / 00		1,250.00			

NOTE:

California Education Code section 45048 (c) states that if salary payment is not made timely as required by this section, the amount of the salary payment due shall be increased by the amount of interest on the unpaid amount for each day of delay. Please refer to all section of Ed Code 45048 for all explanations.

Refund of CalSTRS Excess Contributions

Employees who work in multiple positions for the same employer or more than one employer during a school year or having earnings due to extra-pay assignments may earn service credit in excess of one year. Since members cannot receive more than one year of service in the Defined Benefit (DB) Program, the excess service credit is transferred to their Defined Benefit Supplement (DBS) Program.

Excess contributions are the result of the DBS program having contribution rates which are lower than that of the DB program. Earnings transferred from DB to DBS accounts result in an overpayment of contributions by school districts and their employees.

CalSTRS will notify all members who should receive a refund through their annual member statements and excess contributions (refunds) will be listed as a separate line item in the statement.

Process for Refunding Contributions:

- DBAS will transfer the total amount of excess contributions (employer and employee) to each school district via cash transfer. The fund will be transferred to:
 - Dependent School Districts 010-9920
 - Fiscally Accountable/Independent School Districts 010-9920
 - Charter Schools Payments through ACH

IMPORTANT:

- The refund of the employer portion for prior fiscal year expenditures should be accounted for as a revenue in the current fiscal year. District are responsible to re-class the refund of the employer portion to an appropriate revenue object code.
 - Returned pre-tax contributions will be considered taxable income in the year employees receive them regardless of when the contributions were initially paid.
-
- Districts should process both active and terminated employees' refunds through payroll system using **Vol-Ded code 8113 STRS Prior Period Adjustment**. To refund a terminated employee, Districts need to:
 - Create a penny (.01) pay line using **Stat-Ded NNNN** and **AC-P-C code 00-0-0**
 - Select '**YES**' to the option '**OK to pay**' in Termination (TE) screen
 - Refund in a negative amount will be displayed as STRS Prior Period Adjustment on the employees' paystub.

NOTE:

If there is an adjustment to reduce an employee's excess service credit from a prior year, employer and/or employee contributions may be due back to CalSTRS.

STRS Common Errors

- Not using the same Ret. Base (Pay Rate) as the original pay line when making negative adjustments to prior period earnings.
- When doing negative earnings adjustment, the negative amount should not exceed what was originally issued.
- Incorrect Date range on Retro or Arrears pay lines *or* leaving the date range blank.
- Using Retro code 5 for Arrears payment instead of code 3 or vice-versa.
- Using incorrect Ret. Base (Pay Rate) on retro *and* combining different Pay Rates into one retro pay line.
- Using the earnings as the Ret. Base (Pay Rate) on positions that are not 100% FTE. Ret Base must always be at 100% FTE.
- Not using the same Ret. Base/Pay Rate *and* Rate/Earnings for special compensation.
- **Late start** contract will not receive full year service credit.
 - It is illegal to accommodate the employee by altering earnings and pay code to purposely reflect full year service credit.
 - The pay code must agree with the assignment the employee is hired to perform.
- The Ret. Base (Pay Rate) and Pay Code not corresponding, they should always relate:

➤ 12 Month Contract Rate = PC 1	➤ Annual Rate = PC 0
➤ 11 Month Contract Rate = PC 2	➤ Hourly Rate = PC 4
➤ 10 Month Contract Rate = PC 3	➤ Daily Rate = PC 8
- The Pay Type and Contribution Code not corresponding, they should always relate:

➤ ARR = CC3	➤ RET = CC 5
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- Not using the correct Assignment Code:

➤ Substitutes = 54	➤ Part-time = 55
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Common Error when Choosing CalPERS or CalSTRS

This error occurs when a member of CalPERS accepts employment to perform service that requires membership in CalSTRS but elects to continue coverage with CalPERS.

Upon CalPERS reviewing ES 372, the member does not meet the criteria to qualify to continue with CalPERS retirement coverage and CalPERS rejects the right of election.

Error Resolution

Step 1: Back out pay line that were reported to CalPERS in error

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WS
	-581.10	1.00	LZ		-581.10	ARR	TFSPT			2,743.00	08	1	3	
	0.00	0.00			0.00	ARR	TFSPT			0.00	08	1	3	

Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid
	TENSUP	0.00	1		10/01/2013	10/31/2013		0.00 / 00	0.00

Step 2: Report it to CalSTRS

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WS
	581.10	1.00	LZ		581.10	ARR	TMNS			2,743.00	57	3	3	
	0.00	0.00			0.00	ARR	TMNS			0.00	57	3	3	

Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid
	TENSUP	0.00	1		10/01/2013	10/31/2013		0.00 / 00	0.00

Step 3: Refund OASDI & SDI taken from St-Ded of TFSPT, CalSTRS members do not pay OASDI or SDI

Ln	DS	Code	Code Name	Plan	Employee	Employer	T	RL	B	F	S	vb	Minimum	Maximum	Balance	Limit
1	01	8310	ADD OASDI		-25.77	-25.77							0.00	0.00	0.00	0.00
2	01	8900	EXCESS STATE DISABILITY INS		-4.16	0.00							0.00	0.00	0.00	0.00

Total Employee Deductions	-29.93	Total Employer Deductions	-25.77
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Common Error when Choosing CalPERS or CalSTRS (Cont'd)

CTD Totals From Payroll History

BEFORE Correction

History for: [REDACTED] KIM R - 000000	CTD Amount
Gross	\$4,340.76
Net Pay	\$3,310.39
Other Non-Tx Gross	\$531.69
Imputed Gross	\$0.00
TSA	\$0.00
Federal Tax	\$0.00
State Tax	\$0.00
OASDI	\$25.77
Medicare	\$55.23
SDI	\$4.16

AFTER Correction

History for: [REDACTED] R - 000000	CTD Amount
Gross	\$4,340.76
Net Pay	\$3,334.51
Other Non-Tx Gross	\$531.69
Imputed Gross	\$0.00
TSA	\$0.00
Federal Tax	\$0.00
State Tax	\$0.00
OASDI	\$0.00
Medicare	\$55.23
SDI	\$0.00

Common Error Change of Contract Adjustments

Not reporting a Change of Contract properly: Terminated and Late Start Contracts should be paid on separate pay lines with corresponding AC-P-C codes, Ret. Base/Pay Rate & Pay Schedule.

PR Screen Pay Line: Terminated 10 month Contract for Teacher Position

1/2 - SUM		2/3 - SPC		3/4 - SPC		4/6 - HR		5/7 - MISC		6/8 - MISC		7/9 - NML		8/10 - NML		9/1 - NML	
Placement	FTE	M	Adj	Hr Rt	Base Pay	Base Ret	O	Mo/Yr	Da/Yr	Hr/Day	Work Cal						
	1.0000		0.00	0.00	6,939.60	6,939.60		0.00	0.00	0.00							
Pos Code	Job Code			Work Loc													
	110050			TEACHER GRADE 5				0003				MARTIN H. FARNHAM					
Bonus 1	Bonus 2	Bonus 3	Bonus 4	Bonus 5	Bonus 6	Bonus 7	Bonus 8	Bonus 9	Bonus 10								
010000																	
Pay:	150.00																
Ret:	150.00																
D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC			
	7,089.60	1.00	L	P	7,089.60	NML	TMNS			7,089.60	57	3	1				
Adjustment >	-	191.61	L	P	-191.61	NML				7,089.60	57	3	1				
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid								
	E10R07	0.00	1					0.00 / 00	42,537.60								

PR Screen Pay Line: Late Start 12 month Contract for Vice Principal Position

1/2 - SUM		2/3 - SPC		3/4 - SPC		4/6 - HR		5/7 - MISC		6/8 - MISC		7/9 - NML		8/10 - NML		9/1 - NML	
Placement	FTE	M	Adj	Hr Rt	Base Pay	Base Ret	O	Mo/Yr	Da/Yr	Hr/Day	Work Cal						
	1.0000		0.00	0.00	8,719.08	8,719.08		0.00	0.00	0.00							
Pos Code	Job Code			Work Loc													
	103020			VICE PRINCIPAL				0003				MARTIN H. FARNHAM					
Bonus 1	Bonus 2	Bonus 3	Bonus 4	Bonus 5	Bonus 6	Bonus 7	Bonus 8	Bonus 9	Bonus 10								
030000																	
Pay:	125.00																
Ret:	125.00																
D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC			
	8,844.08	1.00	L	P	8,844.08	NML	TMNS			8,844.08	57	1	1				
Adjustment >	+	1,010.77	L	P	1,010.77	NML				8,844.08	57	1	1				
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid								
	EOMREG	0.00	1					0.00 / 00	0.00								

Common Error Change of Contract Adjustments (Cont'd)

Sample of Change of Contract

Santa Clara County Office of Education

CHANGE OF CONTRACT

Employee Name: CLAY MATTHEWS Ext Ref: 12345

Effective Date: 03/10/2014 Paid on: 3/31/2014

Calendar Used: Green Bay Packers

	Term	Late	
<i>Base Ret Monthly</i>	6,939.60	8,719.08	
<i>Bilingual Stipend Prorated</i>	0.00	0.00	
<i>Longevity/Degree Flat Amount</i>	150.00	125.00	
<i>Ret.Base at 100% FTE Monthly</i>	7,089.60	8,844.08	
1 Annual Contract Amount at 100% FTE	70,896.00	106,128.96	
2 Annual Contract Days	185	210	
3 Daily Rate (Line 1 Divided/Line 2)	383.22	505.38	
4 Number of Days For Pay	129.00	72.00	
5 Percentage of Time FTE	100.00	100.00	
6 Amount Authorized (Line 3 x Line 4 x Line 5)	49,435.59	36,387.07	
7 Pay Frequency	10.00	12.00	
8A Amount Paid-To-Date	42,537.60		
8B Months Remaining in the Year		4.00	
9 Amount To Be Normally Paid This Month	7,089.60	8,844.08	
10 <i>Contract Adjustment to NML</i>	(191.61)	1,010.75	
11 Amount Actually Paid on Current NML	6,897.99	9,854.83	

			7,089.60 Sep
			7,089.60 Oct
			7,089.60 Nov
			7,089.60 Dec
			7,089.60 Jan
			7,089.60 Feb
			7,089.60 Mar
			(191.61) TERM 10 Month Adj
			1,010.75 LATE 12 Month Adj
			8,844.08 Mar
			8,844.08 Apr
			8,844.08 May
			8,844.08 Jun
			85,822.66 85,822.66
			Verification

Prepared By: Dlo **16,752.82**

Date Prepared: 3/28/2014

NOTE:

This change of contract is just a sample. Districts should have their own change of contract, because all districts are unique.

Reference:

Employer Directive 2013-04 CalSTRS No Longer Performs Change of Base Calculations.

Upon review of Ed Code sections 22701, "Computation of service to be credited", 22115, "Compensation earnable", and 22138.5, "Full-time minimum standards", CalSTRS does not have the authority to grant service credit for which service has not been performed, not compensation paid. Therefore, CalSTRS has discontinued processing change of base request.

STRS Cheat Sheet

CalSTRS: Creditable Compensation		CalSTRS					
Monthly Payrate	Compensation Type	Classic Member (2% at 60)			PEPRA Member (2% at 62)		
		DB Plan	DBS Plan	AC-P-C Code Used in QCC	DB Plan	DBS Plan	AC-P-C Code Used in QCC
→	Annual Salary	✓		57-1-1 57-2-1 57-3-1	✓		57-1-1 57-2-1 57-3-1
	Longevity that is built into salary	✓		57-1-1 57-2-1 57-3-1	✓		57-1-1 57-2-1 57-3-1
→	Longevity NOT built into salary (ongoing, permanent, and paid monthly as earned) (LOGN)	✓		57-0-6	✓		72-0-6
	Doctoral or Master Degree (ongoing, permanent, and paid monthly as earned) (DEGN)	✓		57-0-6	✓		72-0-6
	Class size overload for K-12 (ongoing, permanent, and paid monthly as earned)	✓		57-0-6	✓		72-0-6
	Class size overload for K-12 (ongoing, permanent, and paid as lump sum at conclusion of assignment)	✓		57-0-6			00-0-0
	Bilingual Certification (ongoing, permanent and paid monthly as earned) (CREN)	✓		57-0-6	✓		72-0-6
	Special Education Certification (ongoing, permanent, and paid monthly as earned) (CREN)	✓		57-0-6	✓		72-0-6
	Hiring, transfer or retirement (NOT ongoing, NOT permanent, and one-time payment)		✓	71-0-6			00-0-0
	Bonus: (NOT ongoing, NOT permanent, and one-time payment) Off-Salary schedule payment Parity pay (community colleges) Lottery		✓	71-0-6			00-0-0
	Payments to Section 125, 403(b), 457(b) by an employer			00-0-0			00-0-0
	Car (TRV)/Cell/Internet Allowance			00-0-0			00-0-0
Professional Dues			00-0-0			00-0-0	
Expenses paid or reimbursed by an employer			00-0-0			00-0-0	
Vacation			00-0-0			00-0-0	
Cash-In-Lieu of any fringe benefits provided by an employer			00-0-0			00-0-0	
→	Outgrowth Activities: (paid as earned)						
	Coaching Activity						
	Science fair coordinator						
	Camps/clinics	✓		55-0-1	✓		55-0-1
	Music/band director						
	Noon duty supervision by certificated staff						
	Department chair						
	Yearbook editor						
	Outgrowth Activities (lump sums paid at the conclusion of the assignment)	✓		55-0-1			00-0-0
	Additional Duties:						
Teaching an extra period							
Attending training							
Professional Development	✓		55-0-1	✓		55-0-1	
Summer School							
Teacher in Charge							
Mentor Teacher							
Preparing for a Class or Workshop							

*Between the annualized ret base of the outgrowth activity performed and the contract salary ret base, always use the lower ret base.

APPENDIX

Liability Payrolls in July

The July TENTH payroll is designated as a “Liability Payroll.” It is different from all other payrolls because the postings are split between two fiscal years:

- The prior fiscal year
- The new fiscal year

Any payments on July 10th are actually for the prior year expenses (usually payments for substitutes for the period of June 1 – June 30). The payroll expenses are reflected as of June 30 in the prior year. The cash will go out on July 10th (the new fiscal year).

Payroll Liabilities

Payroll liabilities are amounts owed, but are not yet paid. These liabilities include payroll tax amounts that have been withheld from employees or that is owed as a result of payrolls. Payroll taxes withheld from employees’ wages and salaries are liabilities of the employer. They are a liability until the money is remitted to the government. The liability is comprised of payroll taxes, plus the amount of any Social Security and Medicare taxes that are withheld from the pay of employees. Because the July TENTH payroll consists of money owed to employees as of June 30th, it is considered a liability payroll for Employer Burdens.

Employer Burdens

Employer Burdens consists of two components:

- Accounts Payable – Prior Year Salaries (1xxx, 2xxx)
 - ❖ Object Code 9545
- Accounts Payable Burdens Prior Year (OASDI, Medicare, PERS, STRS, Workers Comp)
 - ❖ Object Code 9509

Prior Year Salaries – Object Code 9545

The July TENTH payroll is posted to the prior year detailed general ledger (Report GLD110) with a Date of 6/30/XX, a reference of PY-0630XX and amounts shown in the credit column. The total amount shown in the credit column of the **prior year General Ledger** Prior Year Salaries - Object Code 9545 must match the total amounts shown in the debit column of the **current year General Ledger** Prior Year Salaries - Object Code 9545. The amounts shown in the **current year General Ledger** Prior Year Salaries – Object Code 9545 in the debit column are relieving liabilities set up in the prior year and nets to zero. ***The prior year tax table must be used when setting up the Prior Year Salaries Liability for Prior Year.***

Liability Payrolls in July (Cont'd)

Accounts Payable-Burdens Prior Year – Object 9509

The July TENTH payroll is posted to the prior year detailed general ledger (Report GLD110) with a Date of 6/30/XX, a reference of PY-0630XX and amounts shown in the credit column. The total amount shown in the credit column of the **prior year General Ledger** Accounts Payable-Burdens Prior Year – Object Code 9509 must match the total amounts shown in the debit column of the **current year General Ledger** Accounts Payable-Burdens Prior Year – Object Code 9509. The amounts shown in the current year Accounts Payable-Burdens Prior Year –Object Code 9509 in the debit column are relieving liabilities set up in the prior fiscal year and nets to zero. **The prior year tax table must be used when setting up the Burdens for Prior Year.**

Below is an illustration of how monies would be accounted.

OBJECT	DESCRIPTION	EMPLOYER	EMPLOYEE
2200	Classified Support Salaries	(2,400.00)	2,400.00
3202	PERS	(240.00)	(150.00)
3302/12/22	OASDI/Medicare	(125.00)	(125.00)
3402	Health and Welfare - Medical	(600.00)	(200.00)
3402	Health and Welfare - Dental	(120.00)	
3402	Health and Welfare - Vision	(10.00)	
3502	Unemployment Insurance	(10.00)	
3602	Workers' Compensation	(50.00)	
	Federal Tax		(100.00)
	State Tax		(50.00)
	Voluntary Deduction		(100.00)
	TOTAL COST/NET CHECK	(3,555.00)	1,675.00

1,155.00
Total ER
contribution

725.00 Total
EE deductions

Cash posts in July. Everything else posts in June

All the 1000, 2000, and 3000 accounts that are generated by this payroll need to be recorded in the prior year. The credit to cash in July (\$1,675.00) will be offset by a debit to a liability account (95xx) that is set up by the liability payroll in June.

Liability Payrolls in July (Cont'd)

Normal Payroll Entries for a Regular Payroll (Non-Liability)- District Ledger:

1xxx, 2xxx, 3xxx Objects (Employer)	Debit \$3,555.00	
District Contribution to PERS/STRS/H&W etc (99xx)		Credit \$1,155.00
Employee Contribution to PERS/STRS/H&W etc (99xx)		Credit \$725.00

Liability Payroll Entries in June – District Ledger:

1xxx, 2xxx, 3xxx Objects (Employer)	Debit \$3,555.00	
District Contribution to PERS/STRS/H&W etc (99xx)		Credit \$1,155.00
Employee Contribution to PERS/STRS/H&W etc (99xx)		Credit \$725.00
Payable to Employee = LIABILITY (95xx)		Credit \$1,675.00

Liability Payroll Entries In July:

Payable to Employee (95xx)	Debit \$1,675.00	
Cash (9110):		Credit \$1,675.00

July 10th Liability Payroll Posting - Prior Year Entries		
Salary Expenses	Debit (DR)	Credit (CR)
Salaries 1xxx - 2xxx		
Prior Year Salaries		9545
Employer Accrued Expense		
Benefit Expenditures 3xxx		
Burdens		9509
Balance Sheet Balances (95xx objects) are rolled forward from the prior year to the new fiscal year		
July 10th Liability Payroll Posting - New Fiscal Year Entries		
Salary Expenses	Debit (DR)	Credit (CR)
Prior Year Salaries	9545	
Cash		9110
Employer Accrued Expense		
Accts Payable Burdens - Prior Year	9509	
Cash		9110

Payments made in July will cause negative account balances until the ending balances from the Prior Fiscal Year are rolled into the New Fiscal Year.

Liability Payrolls in July (Cont'd)

Examples of prior year payroll expenses for Districts are as follows:

- 1) Object Code 1xxx – Certificated Salaries
- 2) Object Code 2xxx – Classified Salaries
- 3) Object Code 31xx – STRS
- 4) Object Code 32xx – PERS
- 5) Object Code 33xx – OASDI/Medicare
- 6) Object Code 34xx – Health and Welfare – Medical
- 7) Object Code 34xx – Health and Welfare – Dental
- 8) Object Code 34xx – Health and Welfare – Vision
- 9) Object Code 35xx – Unemployment Insurance
- 10) Object Code 36xx – Workers' Compensation

Ledger #92 – Payroll Revolving:

- 1) Object Code 9920 – STRS
- 2) Object Code 9921 – PERS
- 3) Object Code 9923 – OASDI
- 4) Object Code 9924 – Medicare
- 5) Object Code 9925 – Federal Income Tax
- 6) Object Code 9927 – State Income Tax
- 7) Object Code 9928 – State Disability Insurance
- 8) Object Code 99xx – Voluntary Deductions

The **Pay 320 Report (Employer Paid Benefit History Report)** can be run to 7/10/xx payroll, which displays detail for each employee paid on 7/10/xx, including the following:

- Gross Pay
- STRS
- PERS
- PERSPLUS
- OASDI
- Medicare
- H&W
- SUI
- WORKERS COMP

The total of the above deductions should equal the total Employer Burdens listed in the general ledger for object code 9509.

Correcting Prior Year Payroll Errors

Common Error: Compensation NOT Reported to PERS

This employee is working in both classified and certificated substitute positions. In 2014, the employee qualified to be in CalPERS retirement system, but was not brought into membership. This District does not participate into State Disability System. The employee’s record showed that the classified earnings were reported with the following code in the payroll system:

- AC-P-C = 00-0-0
- Stat DED = TMNN

To correct reporting for retirement, follow the steps below:

- Collect OASDI for current and prior years
 - 2018 – current year
 - 2014-2017 – prior years
- Report Retirement to CalPERS for current and prior years
 - 2018 – current year
 - 2014-2017 – prior years

Step 1. Accounting Specialists Review - Process for correcting the CURRENT YEAR (2018) Earnings

- 1) Back out all the earnings for the **current year** using the following:
 AC-P-C = 00-0-0
 STAT DED = TMNN
- 2) Re-Report all the earning for the **current year** using the following:
 AC-P-C = 08-4-3
 STAT DED = TFNP

	AC-P-C	Stat Ded
Prior Reporting	00-0-0	TMNN
Correct Reporting for Retirement	08-4-3	TFNP

- 3) Notify Payroll Tax Team when making corrections to Prior Year Earnings and provide supporting documentation.

Correcting Prior Year Payroll Errors (Cont'd)

Step 2. Payroll Tax Team Review - Process for correcting the PRIOR YEAR (2014-2017) Earnings

- 1) Correct employee's record for OASDI for calendar years 2014-2017:
 - District will need to process a W2C for each year 2014-17 to fix the OASDI for the prior years that was not collected and paid to the social security on behalf of the employee.
 - Accounting Specialist will review the W2C prepared by the district and provide an account string to the Payroll Tax Team to collect OASDI from the district.

- 2) Payroll Tax Team will need to do the following:
 - Prepare an amended return 941X to correct the quarterly earnings from 2014-2017 (one for each quarter).
 - Collect the employee and employer share of the OASDI to pay IRS. Payroll Tax Team will process a cash transfer using the account string provided by the district. The district may need to collect the money from the employee.

Step 3. Accounting Specialists Review – Active Employee Process for correcting the PRIOR YEAR (2014-2017) Retirement

- 1) Back out each line for the prior years from 2014-2017 using the following:
 AC-P-C = 00-0-0
 STAT DED = TNNN

- 2) Re-report all lines for the prior years from 2014-2017 using the following:
 AC-C-PC = 08-4-3
 STAT DED = TNNP

- 3) This step reduces the employee's taxable income by the amount of the contributions. Therefore, the district will need to determine who will be paying for the employee and the employer contributions.
 - **Employer is paying the PERS contribution:** If the employee was not set up correctly in payroll system because of employer's error and **employer** is paying the PERS contribution on behalf of the employee then the following needs to happen:
 - ❖ Refund the employee the total amount of the contribution using vol-ded 8212 in the PD screen so that the employee's taxable income is correct.

PD Screen	EE	ER
8212	-\$0.00	+\$0.00

Correcting Prior Year Payroll Errors (Cont'd)

- **Employee is paying the PERS contribution:** If the employee has agreed on a payment plan to pay for the PERS contribution then the following needs to happen:
 - ❖ Employer will advance the total amount of the contributions on the employee’s behalf using vol-ded 7308 (on the employee’s side).

PD Screen	EE
7308	-\$0.00

- ❖ When the employee pays back the amount agreed on the payment plan (whatever be the terms of the arrangement), this deduction is taken using Vol-Ded 7308 (on the employee’s side).

PD Screen	EE
7308	\$0.00

Step 4. Process for correcting an Employee who is Not Active at the district

- 1) The employee earnings and contributions should be reported via the retirement module. The district will provide the information to the Accounting Specialists to make this correction.
- 2) Accounting Specialists will provide an account string to TEAM 5 to process the cash transfer for the amount of the contributions.

Glossary of School Business Terms

Adult Education

Classes for students 18 or older offered by local high school districts. State law requires certain courses, including citizenship and English, be offered at no charge. Other classes may carry a fee.

California Public Employees Retirement System (CalPERS)

Is an agency in the California executive branch that "manages pension and health benefits for more than 1.6 million California public employees, retirees, and their families".

California State Teachers' Retirement System (CalSTRS)

Provides retirement, disability and survivor benefits for California's 852,316 prekindergarten through community college educators and their families. CalSTRS was established by law in 1913 and is part of the California State and Consumer Services Agency.

CalSTRS Match File Program

This program provides the employer with a systematic, method for confirming CalSTRS membership data contained in the employer's payroll record. This is done each month, prior to finalization of employer payroll, before sending the Monthly Report of Retirement Contributions (F496) to CalSTRS. Using the Match File allows employers to minimize reporting errors and the extra work that results from incorrect membership data.

Certificated Employees

Employees whom are required by the state to hold teaching credentials, including full-time, part-time, substitute or temporary teachers, and most administrators.

Classified Employees

School employees who are not required to hold teaching credentials, such as secretaries, custodians, bus drivers and some management personnel are referred to as classified employees and are paid through a 2### object code.

Collective Bargaining SB 160 (1975)

A California law which sets out the manner and scope of negotiations between school districts and employee organizations. The law also mandates a regulatory board.

Cost of Living Adjustment (COLA)

Is an increase in funding for LCFF or categorical programs. Current law ties COLAs to the Implicit Price Deflator for State and Local Government Purchase of Goods and Services for the United States, although different amounts are appropriated in some years.

Glossary of School Business Terms (Cont'd)

Deferred Pay

Employees who work less than a 12 month fiscal year may elect to split their net pay over twelve months. This does not affect their gross wages or their taxable income.

Defined Benefit Account (DB) CalSTRS

An employer-sponsored retirement plan where employee benefits are sorted out based on a formula using factors such as salary history and duration of employment.

Defined Benefit Supplemental Program Account (DBS) CalSTRS

Assembly Bill 1509 (Chapter 74, Statutes of 2000) established the Defined Benefit Supplement Program. This is an additional benefit for active CalSTRS Defined Benefit Program members. It is designed to provide a lump-sum cash or monthly annuity benefit in addition to benefits from the DB program at no extra cost. AB 1509 required that 1/4 of an employee's 8 percent CalSTRS contribution be allocated to a new account from January 1, 2001 to December 31, 2010. At retirement, disability, death or six months following termination of CalSTRS-covered employment, the funds will be available to the employee or beneficiary, whichever is applicable.

Disposable Wages or Net Pay

The term Disposable Wages pertains to your net payroll after all Statutory Deductions have been deducted.

Education Code

The Education Code, along with additional regulations such as the California Administrative Code (Titles 5 and 8), the Government Code, and general statutes regulate public education in California.

Employee Benefits

Amounts paid by the school system on behalf of employees; these amounts are not included in the gross salary, but are over and above. They are fringe benefit payments and, while not paid directly to employees, they are still part of the cost of salaries and benefits. Examples are: group health or life insurance payments; Social Security taxes; contributions to employee retirement; Workers' Compensation payments; and payments made to personnel on sabbatical leave.

Employer Circular E

The Employers Tax Guide published by the Internal Revenue to communicate relevant tax information.

Employer Information Circular (EIC)

The method of communication published by California State Teachers Retirement System (CalSTRS)

Glossary of School Business Terms (cont'd)

Employer Paid Member Contributions (EPMC)

Effective October 22, 1999, California Public Retirement System (CalPERS) announced regulation sections 569 and 571 to include the new hire "time-in-grade" exception for the payment of Employer Paid Member Contributions (EPMC), and paying and reporting the value of EPMC, as requested by contracting agencies. This created a new option for employers of up to a five year vesting period to pay or report the value of EPMC for newly hired employees. Section 571 also includes a new special compensation item, often utilized by school employers, in the form of negotiated "off-salary-schedule pay" in lieu of pay increases. Section 573 clarifies compensation earnable for optional or elective members.

Garnishments

The most common type of garnishment, is the process of deducting money from an employee's monetary compensation (including salary), sometimes as a result of a court order. Wage garnishments continue until the entire debt is paid or arrangements are made to pay off the debt.

Joint Powers Authority (JPA)

School districts that have agreed to combine their powers and resources to work on their common problems.

Joint School Districts

School districts with boundaries which cross county lines.

Local Educational Agency (LEA)

LEA's include school districts, joint powers agencies, county offices of education, community college districts, and other educational agencies that have a separate board of governance.

Public Employment Relations Board (PERB)

Is a five member Board appointed by the Governor to regulate collective bargaining between school districts and employee organizations.

Remote Employer Access Program (REAP) CalSTRS

Is a valuable tool where all employers can access CalSTRS database to help resolve membership issues.

Regional Occupational Center/Program (ROC/P)

ROC/P is established by a school district, group of districts, or county offices of education. The centers provide training for entry level jobs, counseling, and upgrading of skills for youths ages 16-18.

Secure Employer Website (SEW) CalSTRS

In May, 2017 CalSTRS announced a new site, Secure Employer Web Site, which changed the way employers submitted retirement files and received reports from CalSTRS.

Glossary of School Business Terms (cont'd)

Standardized Account Code Structure (SACS)

SACS was developed to establish a uniform chart of accounts statewide to improve data collection, reporting, transmission, accuracy, and comparability. SACS also meets federal compliance guidelines and ensures that LEA's comply with generally accepted accounting principles.

Statutory Deductions

The term Statutory Deductions pertains to payroll tax deductions that are taken from employee's gross income. These taxes are deducted from the gross pay amount before any additional voluntary deductions. The statutory/mandatory deductions taken from your payroll are: Federal/State Income Tax Withholdings, Social Security/Medicare Taxes, retirement (if applicable).

Voluntary Deductions

Amount taken from an employee's net pay after all statutory deductions: Medical/Dental Insurance, Tax Shelter Annuity (TSA), Garnishments, Credit Unions and Union Dues.

Workers' Compensation

Workers' Compensation is a form of insurance providing wage replacement and medical benefits to employees injured in the course of employment in exchange for mandatory relinquishment of the employee's right to sue his or her employer for the tort of negligence.

DISCLAIMER

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