

School Employer Advisory Committee Webinar

May 12, 2020



Renee Ostrander, Donna Beaumont,
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Michelle Norris, Christina Rollins,
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William Greenhalgh, Susan Forrer, Stephanie Duncan

Employer Response Team

COVID-19 Reporting Impacts

Renee Ostrander

Employer Account Management Division

Circular Letters

[200-021-20](#): Reporting Paid Leave Under the Families First Coronavirus Response Act

[200-017-20](#): Employer Payments During COVID-19 Closures

[200-016-20](#): COVID-19 Impacts to CalPERS Reporting FAQs

[200-015-20](#): Governor's Executive Order N-25-20

Employer Education Through Virtual Classes

Donna Beaumont

Customer Education and Outreach Division

Yesterday's Employer Education Experience

myCalPERS and Business Rules

- In person at CalPERS regional office
- On location at school county office

Changing Times

Stay-at-home order

- Adjust current education methods
- Continue education for our employer partners

Cisco WebEx Meetings

Video conferencing

Screen sharing

Online meetings

Transitioning to WebEx

Creation of student guides

- Host guide
- Attendee guide

Today's Experience

Educational success

- Three WebEx classes with 39 students enrolled

Positive Responses

- “Could not be more pleased”
- “All the materials were sent ahead of time in the email invite with all the details”
- “I was completely prepared to follow along with ease”
- “The online/phone conference training went well”

Home Profile Reporting Person Information **Education** Pension Outlook Other Organizations

Education Resources **Classes** Consultations | Education Activity & History

Common Tasks **Classes**

Sign up for an instructor-led class at a location near you, or take an online class at your own pace. View your [Education Activity & History](#) to see classes you've enrolled in or completed.

Instructor-Led **Online**

[Hide class descriptions](#) | Show class description

Class	Duration	Action
myCalPERS Retirement Enrollment: Searching for a Participant This class provides an overview on the process of searching and adding information for a participant. In this lesson you will learn to search for a participant and retrieve their current membership status in myCalPERS.	1 Hour	Start
myCalPERS Retirement Enrollment: Verification of Membership Eligibility Verify CalPERS membership, query an active employee's appointment details within your agency, or query a retiree	1 Hour	Start

Questions

State Social Security Administrator

Veronica Silva-Gil
Employer Account Management Division



Official State Social Security Administrator

Overview

State Social Security Administrator program funding

Fee amounts

Resources



State Administrator Program Funding

Social Security Administration regulations require a State Social Security Administrator (SSSA), but no funding is provided

Before, SSSA operating funds came from interest earned from the Social Security and Medicare tax holding account

- These funds can no longer cover SSSA program operating expenses

State Legislature does not allow CalPERS to use retirement funds to cover expenses

- CalPERS is authorized to collect fees

Gov. Codes 20176, 22551, and 22552



Annual Maintenance Fee

Fee based on the number of employees currently employed with your district

Invoice generated annually when the SSSA Annual Information Request is sent to your district's County Office

Annual Maintenance Fees

Number of employees	Fee
1 – 4	\$200
5 – 9	\$250
10 – 19	\$300
20 – 49	\$400
50 – 99	\$500
100 – 249	\$1,000
250 - 499	\$1,500
500 – 999	\$2,000
1000+	\$2,500



Annual Invoices

School Districts

- Covered under Modification 315
- Receive an annual invoice
- Invoices generated at the school district level
 - County office will receive a copy

County Offices

- With Section 218 Agreement – Will receive their own invoice
- With Medicare-only Section 218 Agreement – Will not be invoiced



Employee Count

Based on total number of employees who were employed in classified and certificated positions

Count information obtained from:

- CalPERS payroll records
- California Department of Education
- State Controller's Office



Contact the SSSA Office

Email: sssa@calpers.ca.gov

Phone: (916) 795-0810

Mail: CalPERS

State Social Security Administrator

P.O. Box 720720

Sacramento, CA 94229



Resources

[Circular Letter 200-022-19: SSSA Program Funding](#)

[myCalPERS Electronic Funds Transfer Student Guide](#)



Questions



Out of Class Appointments Temporary Upgrade Pay

Brad Hanson

Employer Account Management Division

Out-of-Class Appointments

Gov. Code section 20480

- Track out-of-class hours – For classic and new members
- Ensure out-of-class appointments are accurately maintained and tracked
- Increase transparency when member is assigned to out-of-class appointment

Definition of Out-of-Class Appointment

Temporarily appointed to an upgraded position

A vacant position under recruitment

Appointment is for a limited duration

Cannot exceed 960 hours

Temporary Upgrade Pay*

100% duties of upgraded position

Position must be on salary schedule

Available to entire group or class

Contained in labor policy or agreement

*Not reportable for Public Employees' Pension Reform Act (PEPRA)

Out-of-Class Penalties

Three times the amount of all contributions paid on the compensation directly attributable to the out-of-class appointment

Penalty is for all hours worked in the out-of-class appointment in the fiscal year

Difference of contributions that would have otherwise been paid to the system

Example 1

Brad is a classic member

He receives temporary upgrade pay while his manager is on medical leave for six months

Position is not vacant

No recruitment

Brad works 1,032 hours in the upgraded position

Will his employer be penalized?

Example 1 Result: No Penalty

Position was not vacant

No recruitment

Contributions reported

Example 2

Jennifer is a PEPRA member

Her manager retires

Employer recruits for the vacant position

Jennifer is temporarily upgraded to manager for six months during recruitment

She works 1,032 hours in the upgraded position and receives temporary upgrade pay

Will her employer be penalized?

Example 2 Result: Employer is Penalized

Jennifer is a PEPRA member

Temporary upgrade pay cannot be reported for PEPRA members

Contributions were not reported for the out-of-class appointment

Example 3

Renee is a classic member

Her manager retires

Employer recruits for the vacant position

Renee is temporarily upgraded to manager for six months during recruitment

Renee works 1,032 hours in the upgraded position

Will her employer be penalized?

Example 3 Result: No Penalty

Renee is a classic member

Temporary upgrade pay was reported

Contributions were reported to the system

Example 4

Christine is a PEPRA member

Her manager retires

Employer recruits for the vacant position

Christine is promoted on a temporary basis to perform the manager duties

She works in this position for 1,000 hours and receives the payrate of a manager

Will her employer be penalized?

Example 4 Results: No Penalty

Christine is a PEPRA member

Upgraded payrate was reported

Contributions were reported

Tracking and Reporting (1 of 2)

Annual notice sent end of June

- Informs employers to report all out-of-class appointments in myCalPERS by July 30 for the **prior** fiscal year

Report out-of-class appointments under the **Out-of-Class Validation** local navigation link

Tracking and Reporting (2 of 2)

myCalPERS functionality allows you to:

- Submit records for employees who meet out-of-class hours worked criteria
- Associate labor agreements and salary schedules to out-of-class records
- Certify there are out-of-class hours to report
- View penalties assessed in accordance with Gov. Code section 20480
- View receivables and pay invoices for assessed penalties

Resources

[Circular Letter 200-018-19](#): Reporting Out-of-Class Hours Worked
(New myCalPERS Functionality)

Late Enrollment Questions & Answers

Reana Hlawaty and Michelle Norris
Employer Account Management Division

Questions & Answers (Q & A)

Specific to arrears determinations outlined in Notification of Reported Late Appointment (myCalPERS 0847)

Question 1

Q: Can the \$500 administration cost be waived?

A: No, if employer paid arrears is determined, Gov. Code section 20283 applies and the \$500 administrative cost cannot be waived.

Question 2

Q: Can the employer paid arrears determination be changed?

A: Yes, if the determination is not correct, additional information can be provided within the 30 day appeal window to support the change.

Question 3

Q: What if you think the Notification of Reported Late Appointment was sent to your agency in error?

A: Email an explanation to the Membership Appeals mailbox at Membership_Appeals@calpers.ca.gov. We will review and respond.

Question 4

Q: If your agency does not agree with the arrears period in the determination, should you report payroll for the arrears time frame?

A: No, wait to report the payroll until the issue with the determination is resolved.

Question 5

Q: Is our agency billed separately for the arrears contribution?

A: Member and employer contributions will be billed in the current earned period receivables like any other payroll reporting.

The administrative cost will be billed separately in the arrears panel within the Billing and Payment pages.

Question 6

Q: What happens if payroll is not reported for a portion of the arrears period?

A: The member could potentially not receive the full service credit they are entitled to.

The missing payroll will appear within the Retirement Appointment Reconciliation pages until reported or reconciled.

Question 7

Q: Should our agency report missing payroll on past late enrollments where an arrears determination has not been made?

A: At this time, report payroll **only** if instructed by CalPERS to do so.

myCalPERS Enhancements

Additional membership review enhancements are in development

More information will be provided at a later date

Questions

Post-Retirement Employment Updates

Christina Rollins

Employer Account Management Division

Post-Retirement Employment Updates

Upcoming myCalPERS enhancements

COVID-19 emergency relief update for retirees and employers

Upcoming myCalPERS Enhancements

Welcome letter to all new retired annuitants

960-hour limit

Special compensation reporting

180-day wait period

Hours reported will be viewable in the retired annuitant's myCalPERS account

Wildfire and COVID-19 Exemption Appointments

Hours worked not counted toward 960-hour limit

Bona fide separation and 180-day wait period suspension

Must contact CalHR at CAstateofemergency@calhr.ca.gov

Other post-retirement restrictions still apply

Circular Letters

[200-015-20](#): Governor's Executive Order N-25-20

[200-016-20](#): COVID-19 Impacts to CalPERS Reporting FAQs

[200-017-20](#): Employer Payments During COVID-19 Closures

[200-021-20](#): Reporting Paid Leave Under the Families First Coronavirus Response Act

Post-Retirement Resources

CalPERS Customer Contact Center

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

CalPERS website

- www.calpers.ca.gov

[Public Employees' Retirement Law \(PERL\)](#)

Membership_Reporting@calpers.ca.gov

Working_After_Retirement@calpers.ca.gov

Questions

Current Markets and Future Contributions

Kurt Schneider
Actuarial Office

Schools Valuation Results

Actuarial valuation date – June 30, 2019

- Determines required employer/employee contributions for FY 2020-2021

All participating school employers pay the same employer contribution rate based on total results of the schools pool

Additional \$904M contributed in July 2019 (SB-90)

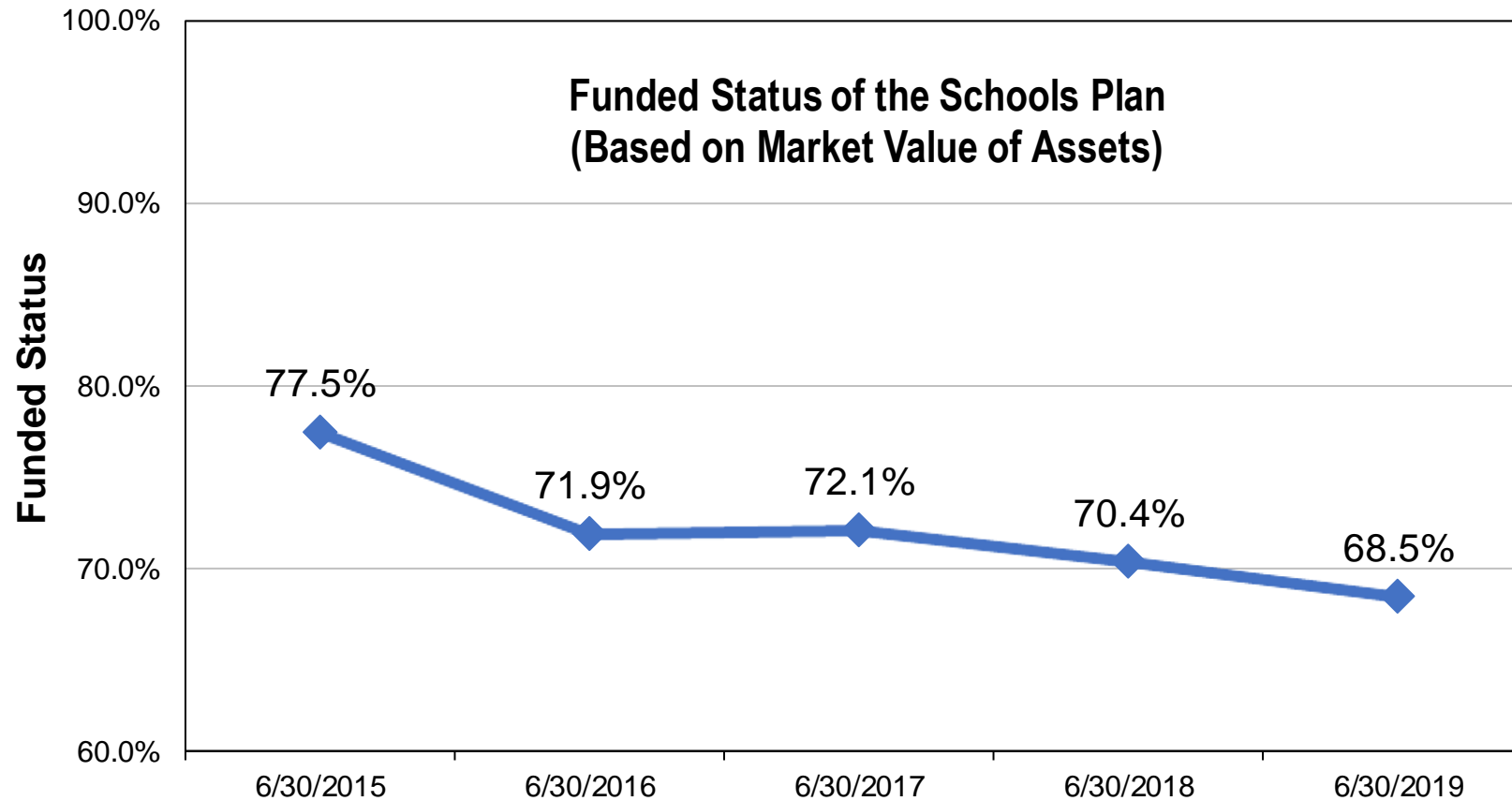
- Reduced total FY 2020-21 required contribution by approximately \$37M
- Not reflected on June 30, 2019, valuation funded status

Current and Prior Year Contributions Rates

	Fiscal Year 2019-20	Fiscal Year 2020-21	
Employer Contribution Rate		<i>(estimated*)</i>	<i>(actual)</i>
Employer Normal Cost	8.992%	9.6%	9.47%
Unfunded Liability Rate	11.741%	13.9%	13.88%
State Contribution	<u>(1.012%)</u>	<u>(0.7%)</u>	<u>(0.67%)</u>
Required Employer Rate	19.721%	22.8%	22.68%

* As projected in the June 30, 2018, actuarial valuation report

Funded Status Recent History



How Investment Returns Impact Contributions

Assumed rate of return for 2019-20 is 7%

Year-to-date return of the PERF through April 24 was 0%

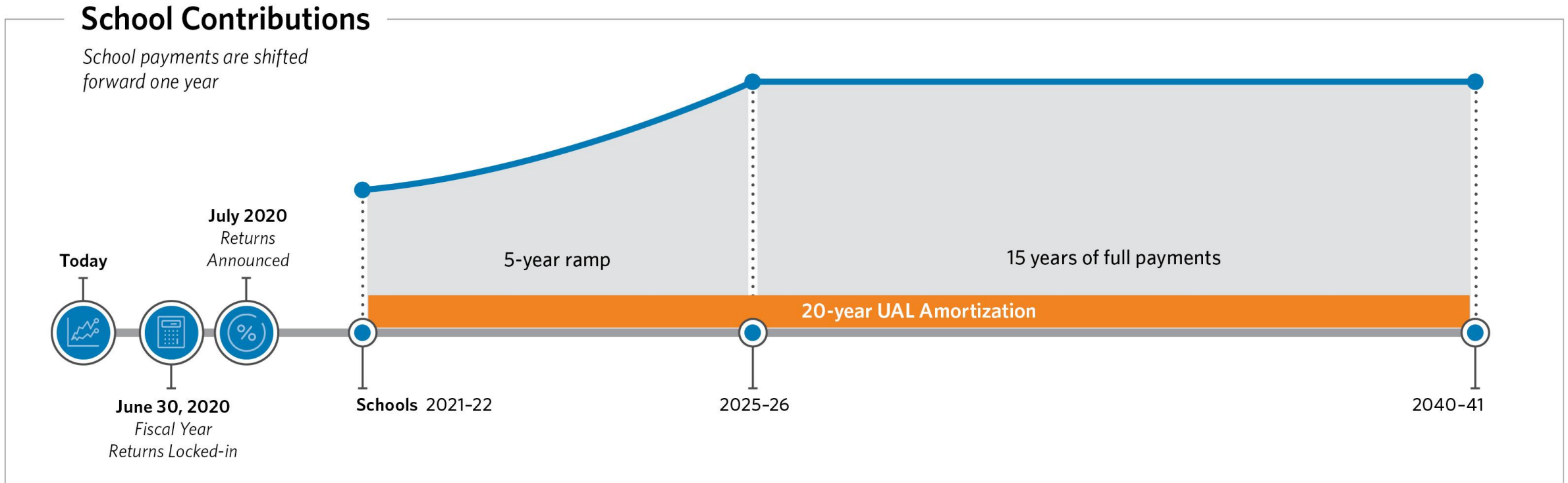
Investment gain/loss measured as of June 30, 2020

Loss amortized over 20 years with a 5-year ramp

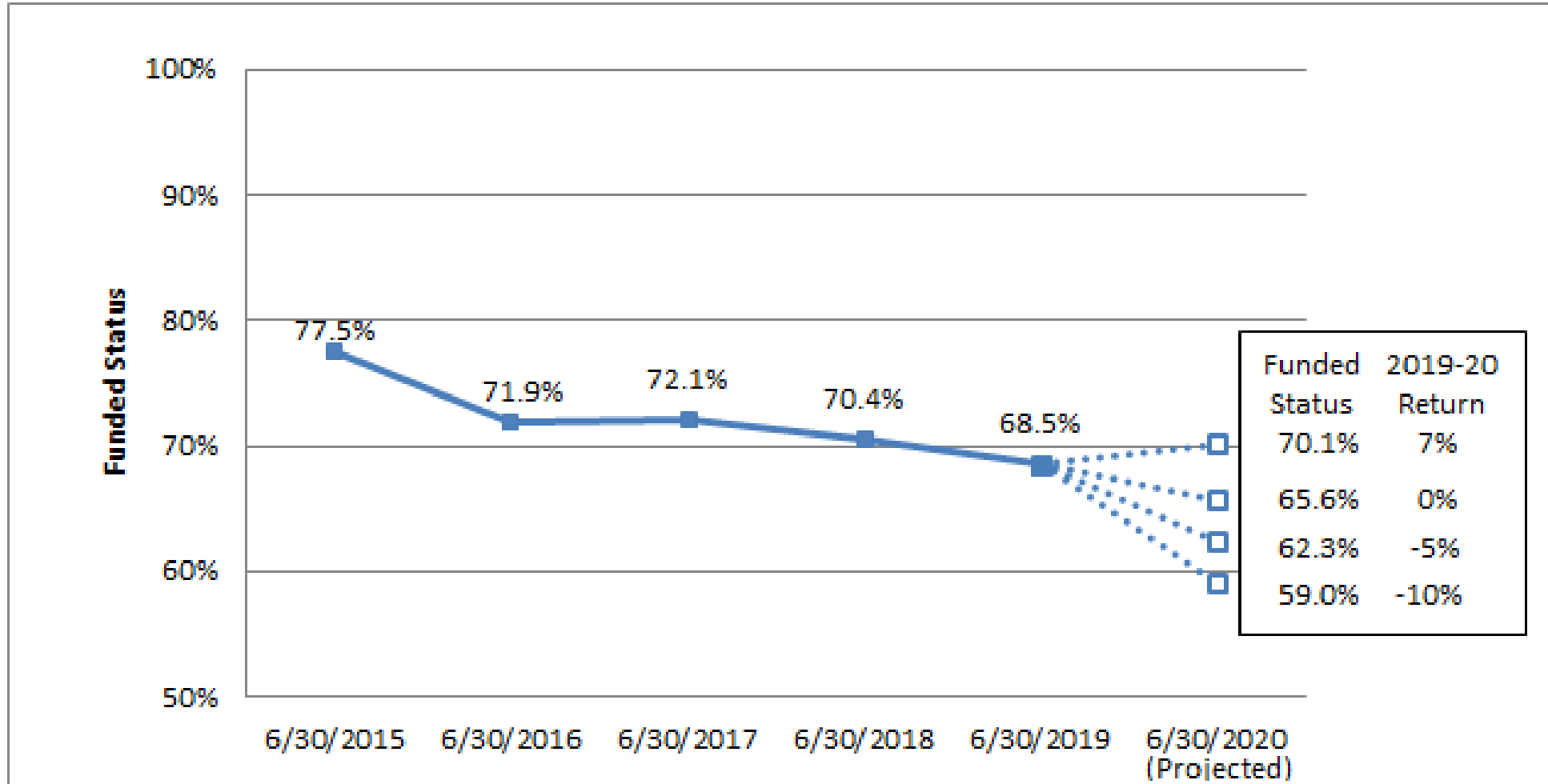
First year of payment is FY 2021-22 (20% of full payment)

First full payment is in FY 2025-26 (for 16 years)

How Investment Returns Impact Contributions Chart

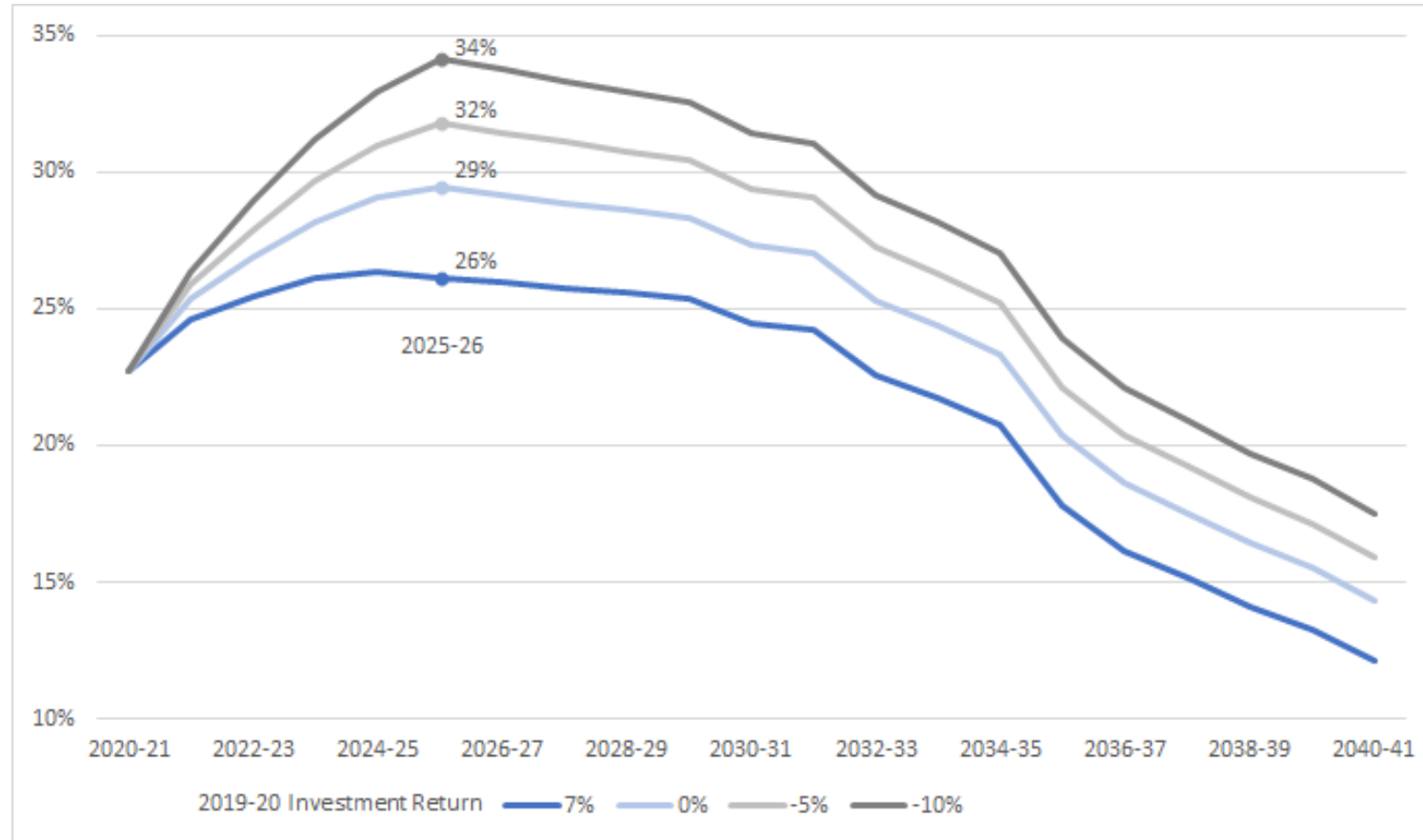


Funded Status – with Various Returns



Employer Rate Impact – Various 2019-20 Returns

Assumed Investment Return 7% per year after June 30, 2020



Questions

Questions & Answers

Thank you for joining us!

School Employer Advisory Committee