



**District Business & Advisory Services**

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Bulletin: 15-024

Date: January 26, 2015

To: District Chief Business Officers  
District Fiscal Directors  
Payroll and Human Resource Staff

From: Nghia Do, DBAS Advisor

Re: Common Misreported Items of Special Compensation to California Public Employees'  
Retirement System (CalPERS)

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The purpose of this bulletin is to make Districts aware of the most common misreported items of special compensation to CalPERS.

The California Government Code Section 20636.1 (a) defines that 'compensation earnable' by a school member means the payrate and special compensation of the member. The Government Code also specifies that the payrate reported is the monthly rate of pay or the base pay of the member paid pursuant to publicly available pay schedules. **Payrate cannot include special compensation.**

Special compensation items must meet definition listed in the California Code of Regulations (CCR) 571 (a) as well as the criteria outline in CCR 571 (b) to be reported to CalPERS. District Business and Advisory Services (DBAS) has created the attached list of most common used special compensation reported to CalPERS. For any other types of special compensation that are not on the list, please contact your service team's specialist.

CalPERS is finding that the most common misreporting of special compensation, such as Longevity and Educational Incentive, is when Districts combine special compensation with the payrate. CalPERS relies on the information reported by employers to provide services such as retirement estimates, benefit payments and for setting the employer contribution rates. Failure to properly report information to CalPERS can result in inflated benefit payments which would cause an adjustment to the retiree's benefits plus the need to recover any benefit overpayment.

Districts are encouraged to correct this special compensation reporting error as soon as possible if Longevity, Education Incentive and/or other types of special compensation are currently combined with the normal pay line. Additionally, Districts should make adjustments to any past earnings that included special compensation in the normal pay line.

*Please distribute this information within your District as deemed appropriate.*

**PERS Special Compensation Categories and Types for  
CLASSIC MEMBER ONLY**

<b>Incentive Pay</b>
Bonus
Longevity Pay
Off-Salary-Schedule Pay
Value of Employer Paid Member Contributions
<b>Educational Pay</b>
Educational Incentive
Undergraduate/Graduate/Doctoral Credit
<b>Premium Pay</b>
Temporary Upgrade Pay (Out of Class)
<b>Special Assignment Pay</b>
Bilingual Premium
Confidential Premium
Lead Worker/Supervisor Premium
School Yard Premium
Severely Disabled Premium
Shift Differential
<b>Statutory Items</b>
Holiday Pay
Uniform Allowance

**PERS Special Compensation Categories and Types for  
PEPRA MEMBER ONLY**

<b>Incentive Pay</b>
Bonus
Longevity Pay
Off-Salary-Schedule Pay
Value of Employer Paid Member Contributions
<b>Educational Pay</b>
Educational Incentive
Undergraduate/Graduate/Doctoral Credit
<b>Premium Pay</b>
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