



District Business & Advisory Services

Nimrat Johal: Director- DBAS: 408-453-6599

Cathy McKim: Manager-DBAS: 408-453-6588

Bulletin: 12-140

Date: May 16, 2012

To: Charter School Administrators
District Fiscal Directors

From: Cathy McKim

Re: Direct Funded Charter School Retirement Reporting
Memorandum for Fiscal Year 2012-13

Deadline - July 1, 2012

The purpose of this bulletin is to remind all Direct Funded Charter Schools to submit their Memorandum of Understanding (MOU)ⁱ and fees for Retirement Processing Services to the Santa Clara County Office of Education on or before July 1, 2012. The MOU and the 2012-13 fees are required for all Direct Funded Charter Schools who offer CalSTRS or CalPERS retirement to their employees and are not to be confused with other administrative fees that are charged by your authorizing agency.

Background Information:

California State Teachers Retirement System (CalSTRS) changed the reporting requirements for Direct Funded Charter Schools (Charter School). Charter Schools must be assigned their own unique CalSTRS identification number (5 digits) and retirement data must be reported using this 5 digit number. The practice in Santa Clara County Office of Education (SCCOE) has been to blend the retirement data of the Charter School with that of the sponsoring district and report the blended data to CalSTRS. This practice is no longer allowable. At this time there is no option for reporting directly to CalSTRS. In an effort to help clarify which governmental plans are eligible for the special tax rules, the Internal Revenue Service is in the process of developing proposed regulations to define the term “governmental plan” under Internal Revenue Code Section 414(d) and has issued an advance notice of the proposed rulemaking to solicit feedback. It is expected that the proposed regulations are likely to list multiple facts and circumstances tests as the means to determine whether an entity is an agency or an instrumentality of a state or political subdivision and thus eligible to have its employees participate in a governmental plan.

Several Bulletinsⁱⁱ have been distributed to notify the Charter Schools of the changes and the requirements in addition to the fee structure that will be required for fiscal year 2012-13 and I have reference them below for your information. Copies of these documents can be found on the Santa Clara County Office of Education website. (<http://www.sccoe.org/depts/dbas/portal/bulletins.asp>)

Please share this information with your Direct Funded Charter Schools.

ⁱ Memorandum of Understanding attached.

ⁱⁱ Bulletin 12-073 Dec 02, 2012 STRS/PERS Retirement Submission for Direct Funded Charter Schools - Update
Bulletin 12-064 Nov 04, 2011 California State Teachers Retirement (CalSTRS) Submission
Bulletin 11-065 June 28, 2011 Employer Directive 2010-03 Charter School Reporting (Sample Resolution)
Bulletin 12-018 July 22, 2011 Retirement Submission Deadlines for Fiscal Year 2011-12



Santa Clara County Office of Education

Charles Weis, Ph.D.
County Superintendent of Schools

SANTA CLARA COUNTY OFFICE OF EDUCATION AGREEMENT FOR CHARTER SCHOOL RETIREMENT REPORTING SERVICES

This agreement is entered into this _____ day of _____ by and between the Santa Clara County Superintendent of Schools, hereinafter referred to as "Superintendent," and the _____ Charter School, hereinafter referred to as "Charter."

WHEREAS, the Superintendent is required to submit to California State Teachers Retirement System, hereinafter referred to as STRS a uniform retirement data file for all School Districts and Charters within the County.

WHEREAS, Charter School has determined that it has need to enter into this Agreement with Superintendent for the services described herein:

NOW THEREFORE, it is mutually agreed by the parties hereto as follows:

Services to be provided by the Superintendent

1. The Superintendent agrees to process STRS reporting for the Charter.
2. The Superintendent will serve as the contact agency in working with STRS in resolving problems and answering questions related to reporting and processing of retirement information.
3. The Superintendent will notify the Charter of retirement exceptions and recommendations of possible resolutions.
4. The Superintendent agrees to provide the Charter training (within Santa Clara County) and information necessary for completion of required reporting.
5. The Charter staff will be included in all workshops provided to School Districts for ongoing training and meetings related to STRS retirement.
6. The Superintendent agrees to assist in tracking Charter employee earnings and hours for mandatory membership under California Government Code Section 20305 and California Education Code Sections 22500 through 22504.
7. The Superintendent will assist the Charter payroll representative in preparing appropriate entries for past reporting that was not processed prior to the effect date of this agreement.

Responsibilities of the Charter

1. The Charter agrees to provide files of the required retirement and payroll information necessary for timely completion and transmittal of STRS information.
2. The Charter agrees to provide all the payroll/retirement reporting file data and reports by the due dates established by the Superintendent to meet all retirement reporting schedules established by STRS.
3. The Charter shall maintain all payroll records for its employees and furnish the Superintendent a copy upon request.
4. The Charter will designate one of its employees to serve as the contact person between the Charter and the Superintendent for matters related to regular reporting and processing of retirement information.

SANTA CLARA COUNTY OFFICE OF EDUCATION
AGREEMENT FOR CHARTER SCHOOL RETIREMENT REPORTING SERVICES

5. The Charter authorizes the Superintendent to deduct the full amount of the retirement contributions for both the employer and employee amounts from the monthly apportionment amounts. In the event that apportionments are not scheduled to be received for the month, the Charter shall submit to the Superintendent the full amount of the retirement contributions that include both the employer and employee amounts within two business days after the close of payroll.

Superintendent's Fee and Payment Thereof

1. The Charter agrees to pay the Superintendent for the services under this Agreement as follows:
 - \$2,000 per year to be paid upon signing and submission of the MOU.(On or before July of every year)
 - Processing fee of \$125 for each retirement data file submitted that is not acceptable and has to be replaced and reprocessed. These fees shall be assessed monthly and payable upon demand.
2. The Charter agrees to reimburse the Superintendent for any penalties and/or other levies assessed by STRS that were caused by acts of the Charter.
3. These service fees will be reviewed annually and published with the Santa Clara County Office of Education contracted Services Fee Schedule.

Duration of Agreement

The Agreement shall commence _____ and shall continue to be renewed for each fiscal year beginning July 1 and ending June 30.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

SUPERINTENDENT OF SCHOOLS
SANTA CLARA COUNTY

CHARTER SCHOOL

Title: _____

Title: _____
Approved by the Charter Governing Board on

Date

Authorized Person for submission of retirement files to the STRS Connect Portal:

Name: _____

Title: _____

E-Mail: _____

Phone: _____