



District Business & Advisory Services

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Bulletin: 13-031

Date: September 27, 2012

To: District Fiscal Directors
Charter School Administrators

From: Cathy McKim

Re: Transparency of Public Employee Compensation Requirements

The purpose of this bulletin is to communicate the regulations adopted by the California Public Retirement System (CalPERS) Board of Administration that are meant to make public employee compensation transparent to the public.

Per the CalPERS Circular 200-056-11ⁱ dated August 19, 2011; regulations were adopted by their Board of Administration that make specific requirements for publishing pay schedules and written policy and agreements to define special compensation. The California Code of Regulations (CCR) that were adopted include CCR 570.5 (Requirement for Publicly Available Pay Schedule) and CCR 571ⁱⁱ (Special Compensation)

These regulations require that the payschedules are posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employers website; and that they include the effective date and any revision dates. The employer is also required to have this available for public inspection for at least five years and does not reference another document in lieu of disclosing a payrate.

These regulations specify that the payschedules must include the *Position Title* for every employee position, the *Payrate* for each position and the *Time Base* for each payrate.

Compensation earnable is made up of payrate and special compensation and are specifically defined for the purposes of determining the members' retirement allowance. These regulations affect both. Title 2 of the California Code of Regulations, [section 570.5](#) was added providing that, for purposes of determining "compensation earnable," a member's payrate will be limited to the amount listed on a pay schedule that meets all of the following requirements:

1. The Board has determined that all items of special compensation are contained in a written labor policy or agreement as defined at Government Code section 20049, provided that the document:
 1. Has been approved and adopted by the employer's governing body pursuant to public meeting laws;
 2. Indicates the conditions for payment of the item of special compensation, including, but not limited to, eligibility for, and amount of, the special compensation;
 3. Identifies the position title for every employee position;
 4. Includes the payrate for each identified position, and may be stated as a single amount or as multiple amounts within a range;
 5. Indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, by-monthly, or annually;
 6. Indicates an effective date and date of any revisions;

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7. Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
8. Indicates an effective date and date of any revisions;
9. Is retained by the employer and available for public inspection for not less than five years; and
10. Does not reference another document in lieu of disclosing the payrate.
11. Available to all members in the group or class;
12. Part of normally required duties;
13. Performed during normal hours of employment;
14. Paid periodically as earned;
15. Historically consistent with prior payments for the job classification;
16. Not paid exclusively in the final compensation period;
17. Not final settlement pay; and
18. Not creating an unfunded liability over and above PERS' actuarial assumptions.

Whenever an employer fails to meet these requirements, the Board, in its sole discretion, may determine an amount that will be considered to be payrate, taking into consideration all relevant information, including, but not limited to, the following:ⁱⁱⁱ

1. Documents approved by the employer's governing body in accordance with requirements of public meetings laws and maintained by the employer;
2. Last payrate listed on a pay schedule that conforms to the requirements above, for the position at issue;
3. Last payrate for the member that is listed on a pay schedule that conforms with these requirements, for a different position;
4. Last payrate for the member in a position that was held by the member and that is listed on a pay schedule that conforms with these requirements of a former CalPERS employer.

Please distribute this memo within your District as deemed appropriate.

ⁱ <http://www.calpers.ca.gov/eip-docs/employer/cir-ltrs/2011/200-056-11-attach1.pdf>

ⁱⁱ Government Code Sections 20636(c)(6), 20636.1(c)(6), 20120, 20121, 20630, 20636, 20636.1 and 20691

ⁱⁱⁱ Government Code Sections 20120, 20121, 20630, 20636 and 20636.1