



District Business & Advisory Services

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

Bulletin: 13-049

Date: January 10, 2013

To: District Human Resources and Payroll Directors

From: Cathy McKim

Re: Implementation of Assembly Bill 1651- 2011-12 Furlough Information

Attachment 1 to be returned to District Business & Advisory Services by January 17, 2013

The California Public Employees' Retirement System (CalPERS) issued *Circular Letter 200-005-11* regarding the implementation of Assembly Bill (AB) 1651. On September 30, 2010, AB 1651 was chaptered, adding Government Code Section 20969.2 to the Public Employees' Retirement Law. The bill is designed to restore lost CalPERS retirement benefits due to mandatory furloughs for impacted schools and public agencies.

A furlough plan, as defined by AB 1651, represents any time period on or after July 1, 2008, during which members are directed to be absent from work without pay on the day or days designated by their employer or by a Memorandum of Understanding by the parties entered into on or after July 1, 2008, for purposes of achieving budgetary savings. A reduction in pay or pay cut imposed by an employer without any corresponding days off does not constitute a mandatory furlough under AB 1651.

CalPERS will be using an annual adjustment process to implement AB 1651. The implementation process will require three steps. Santa Clara County Office of Education (SCCOE) will be the contact point for this process.

SCCOE issued a communication Implementation of Assembly Bill 1651, dated January 3, 2012, requesting furlough plan information for the 2010-11 fiscal year. ***This bulletin is requesting this same information for the 2011-12 fiscal year. Please find the following required steps.***

Please distribute this memo within your District as deemed appropriate.

Step 1:

Each district must complete and return the Furlough Plan Information forms for the 2010-12 Fiscal Year (Attachments No. 1) to SCCOE by January 17, 2013, even if your district has not implemented any furlough plans. SCCOE will then forward your information to CalPERS by January 31, 2013. Be sure to include certificated staffs that have elected to continue contributing to CalPERS on their certificated assignment(s).

Step 2:

Based on the information you provide, CalPERS will create a *Member Information Spreadsheet* that will identify which employee accounts are short service credit and may require an adjustment. Upon receipt of the CalPERS created *Member Information Spreadsheet*; CalPERS will issue completion instructions pertaining to the attached *Member Information Spreadsheet*. Districts will send their information to CalPERS by the deadline established in the bulletin.

Step 3:

CalPERS will make the proper adjustments to each member's account based on the information provided by each district.

CalPERS membership enrollment procedures are not changing as a result of AB 1651. However, the legislation requires the monitoring of non-member hours to determine the point at which the employee would have qualified for CalPERS membership had the employee not been subject to mandatory furlough. Districts must then establish CalPERS membership for those employees.

Please distribute this memo within your District as deemed appropriate.

Furlough Plan Information- Attachment No. 1- Due to DBAS - January 17, 2013

Instructions: If your district did not implement a furlough plan or meet the required elements of the plan, indicate "No" on the form and return it to SCCOE.

If your district did meet the furlough plan requirements, complete all the information and return it to your District Advisor on or before January 17, 2013

Fiscal Year 2011-12

District Name		
District Number		
Date Furlough Plan Implemented (N/A if None Implemented)		
Nature of the Plan:	Days:	
	Hours:	
Were the Pay rates reduced due to furlough in order to protect the employee's total Service Credit? Yes/No		
Does your agency offer earnings based on special compensation? Yes/No		

District Contact Person:		
Phone Number:		
E-Mail Address:		