



District Business & Advisory Services

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Bulletin: 17-009

Date: November 8, 2016

To: District Chief Business Officers
District Fiscal Directors
Payroll and Human Resource Managers
Charter School Administrators

From: Nghia Do, Advisor

Re: Refund of Fiscal Year 2015-16 CalSTRS Excess Contributions

The District Business and Advisory Services (DBAS) has now received the California State Teachers' Retirement System (CalSTRS) refunds for excess contributions made in FY2015-16. Attached is a listing, by district, of excess employer and member contributions as determined by CalSTRS.

Excess contributions commonly occurs when a member works for more than one employer or performs extra duties above the contracted days or hours, accumulating service credit in excess of one year. The service credit and contributions in excess of one year cannot be reported in the CalSTRS Defined Benefit (DB) program. These excess contributions and service credit are reported in the Defined Benefit Supplement (DBS) program at contribution rates which are lower than that of the Defined Benefit Plan. Therefore, earnings transferred from DB to DBS accounts result in an overpayment of employer and employee contribution. The table below illustrates the difference between the DB and DBS contribution rates for FY2015-16.

| FY2015 - 16 | | | |
|------------------------|----------------------|-----------------------|---------------------|
| | DB Contribution Rate | DBS Contribution Rate | Difference (Excess) |
| Employer | 10.7300% | 8.2500% | 2.4800% |
| 2% @ 60 Members | 9.2000% | 8.0000% | 1.2000% |
| 2% @ 62 Members | 8.5600% | 8.0000% | 0.5600% |

In the annual member statement, CalSTRS has notified any members who should receive a refund of excess contributions by listing the refund as a separate line item in the statement.

In accordance with the attached report, DBAS has processed the total amount of excess employer and employee contributions due to each school district. Funds were transferred to the following fund-objects:

- Dependent school districts: 010-9920
- Fiscally Accountable/Independent school districts: 010-9920
- Charter schools: payments through Automated Clearing House (ACH)

The refund of the FY 2015-16 employer contribution expenditures should be accounted for as a revenue in the current fiscal year (CSAM Procedure 560). Districts will be responsible for re-classifying the refund of the employer contributions to an appropriate revenue object code.

To further assist districts, DBAS has provided Districts in a separate message with the STRS refund listing, noting each employee’s current status as active or terminated. Please confirm the accuracy of the information before using the data.

For active employees, please process the refunds in the November end of month payroll (November 30, 2016). The refund should be processed as an excess contribution, a negative amount in the deduction (PD) screen using **Vol-Ded code 7460 STRS Excess Contribution**.

For terminated employees’ refunds should be processed with the December 10th of month payroll (December 10, 2016) by setting up a “penny payline” for each of these employees as follows:

- Create a penny (.01) pay line using **Stat-Ded NNNN** and **AC-P-C code 00-0-0**
- Select **‘YES’** for the option **‘OK to pay?’** in Termination (TE) screen

Districts can choose to process employees’ refunds on their own or authorize their DBAS service team to perform a mass upload of refunds to the employees’ QCC PD screen. Please contact the service team for more details or support on mass uploading of refunds.

Whether processing refunds on their own or with authorization to the DBAS service team for support on making a mass upload of refunds to the employees’ PD screen, the establishment of the “penny payline” for terminated employees must be performed at the district level.

Refunds will be listed as a negative amount displayed as STRS EXCESS CONTRIBUTION on the employee’s paystub

| DEDUCTIONS | TAX DEFERRED | EMPLOYER | EMPLOYEE |
|-------------------------------------|--------------|----------|----------------|
| FEDERAL TAX | | | 2,098.56 |
| STATE TAX | | | 728.18 |
| MEDICARE | | 191.01 | 191.00 |
| STRS | Y | 1,466.29 | 1,257.21 |
| UNEMPLOYMENT INSURANCE | | 6.59 | |
| WORKER’S COMP. INSURANCE | | 206.28 | |
| STATUTORY DEDUCTION TOTAL | | 1,870.17 | 4,274.95 |
| MIS1STRS EXCESS CONTRIBUTION | | | -111.74 |
| DUE ASSOC OF COLLEGE EDUCATOR | | | 104.54 |
| LIF METLIFE | | | 51.30 |
| MED1 BLUE SHIELD OF CALIF PPO | Y | 1,634.38 | 493.00 |
| DEN DELTA DENTAL PLAN | | 125.16 | |
| DIS UNUM PROVIDENT | | 27.00 | |
| EYE VISION SERVICE PLAN | | 18.46 | |
| VOLUNTARY DEDUCTION TOTAL | | 1,805.00 | 537.10 |

Please distribute this information within your District as deemed appropriate.

FY2015-16 STRS EXCESS CONTRIBUTIONS - DEPENDENT SCHOOL DISTRICTS

| Report Unit Number | Report Unit Name | Excess Member Contributions | Excess Employer Contributions | Total Refunded Contributions |
|---------------------------|--|------------------------------------|--------------------------------------|-------------------------------------|
| 43107 | BERRYESSA UNION ELEMENTARY SD | 4,580.42 | 9,870.29 | 14,450.71 |
| 43108 | CAMBRIAN SD | 3,561.92 | 7,719.06 | 11,280.98 |
| 43109 | CAMPBELL UNION ELEMENTARY SD | 7,689.04 | 17,062.12 | 24,751.16 |
| 43112 | EVERGREEN ELEMENTARY SD | 7,538.05 | 15,793.42 | 23,331.47 |
| 43113 | FRANKLIN-MCKINLEY ELEMENTARY SD | 7,803.04 | 17,079.69 | 24,882.73 |
| 43117 | LAKESIDE JOINT SD | 77.66 | 147.77 | 225.43 |
| 43119 | LOMA PRIETA JOINT UNION ELEMENTARY SD | 825.34 | 1,737.92 | 2,563.26 |
| 43120 | LOS ALTOS ELEMENTARY SD | 4,101.69 | 9,041.14 | 13,142.83 |
| 43121 | LOS GATOS UNION ELEMENTARY SD | 5,321.82 | 11,099.40 | 16,421.22 |
| 43122 | LUTHER BURBANK SD | 794.43 | 1,651.91 | 2,446.34 |
| 43126 | MORELAND ELEMENTARY SD | 7,438.84 | 16,492.25 | 23,931.09 |
| 43128 | MOUNT PLEASANT SD | 2,766.22 | 6,518.19 | 9,284.41 |
| 43129 | MOUNTAIN VIEW WHISMAN SD | 8,154.08 | 18,532.07 | 26,686.15 |
| 43130 | OAK GROVE ELEMENTARY SD | 6,903.29 | 15,060.75 | 21,964.04 |
| 43131 | ORCHARD ELEMENTARY SD | 936.29 | 2,056.82 | 2,993.11 |
| 43136 | SARATOGA UNION ELEMENTARY SD | 934.63 | 2,043.45 | 2,978.08 |
| 43137 | SUNNYVALE SD | 9,643.20 | 21,679.52 | 31,322.72 |
| 43139 | UNION ELEMENTARY SD | 7,053.90 | 15,221.31 | 22,275.21 |
| 43151 | CAMPBELL UNION HIGH SD | 16,312.80 | 34,684.18 | 50,996.98 |
| 43153 | FREMONT UNION HIGH SD | 19,536.65 | 41,853.16 | 61,389.81 |
| 43156 | LOS GATOS-SARATOGA JOINT UNION HIGH SD | 6,500.41 | 13,660.14 | 20,160.55 |
| 43157 | MOUNTAIN VIEW- LOS ALTOS UNION HIGH SD | 10,339.33 | 22,245.11 | 32,584.44 |
| 43162 | METROPOLITAN EDUCATION DIST | 2,160.78 | 4,497.80 | 6,658.58 |
| 43163 | NORTH COUNTY ROP | 1.39 | 2.88 | 4.27 |
| 43172 | GAVILAN JOINT COM COLL DIST | 14,878.13 | 31,496.60 | 46,374.73 |
| 43175 | WEST VALLEY-MISSION COM COLL DIST | 43,872.07 | 91,561.51 | 135,433.58 |
| 43181 | PALO ALTO UNIFIED SD | 31,098.03 | 67,108.44 | 98,206.47 |
| 43183 | GILROY UNIFIED SD | 28,613.75 | 61,087.55 | 89,701.30 |
| 43184 | MORGAN HILL UNIFIED SD | 9,004.87 | 19,974.78 | 28,979.65 |
| 43185 | MILPITAS UNIFIED SD | 19,023.53 | 41,223.10 | 60,246.63 |
| 43188 | SANTA CLARA UNIFIED SD | 31,327.46 | 66,798.68 | 98,126.14 |
| 43190 | SANTA CLARA COE | 18,153.17 | 39,137.03 | 57,290.20 |
| TOTAL | | \$336,946.23 | \$724,138.04 | \$1,061,084.27 |

FY2015-16 STRS EXCESS CONTRIBUTIONS - FISCALLY ACCOUNTABLE/INDEPENDENT

| Report Unit Number | Report Unit Name | Excess Member Contributions | Excess Employer Contributions | Total Refunded Contributions |
|---------------------------|-------------------------------|------------------------------------|--------------------------------------|-------------------------------------|
| 43104 | ALUM ROCK UNION ELEMENTARY SD | 14,509.56 | 32,322.52 | 46,832.08 |
| 43152 | EAST SIDE UNION HIGH SD | 57,720.13 | 125,180.58 | 182,900.71 |
| 43171 | FOOTHILL DE ANZA CCD | 111,150.62 | 232,578.55 | 343,729.17 |
| 43176 | SAN JOSE EVERGREEN CCD | 66,653.09 | 138,195.96 | 204,849.05 |
| 43182 | SAN JOSE UNIFIED SD | 63,961.31 | 138,968.33 | 202,929.64 |
| TOTAL | | \$313,994.71 | \$667,245.94 | \$981,240.65 |

FY2015-16 STRS EXCESS CONTRIBUTIONS - CHARTER SCHOOLS

| Report Unit Number | Report Unit Name | Excess Member Contributions | Excess Employer Contributions | Total Refunded Contributions |
|---------------------------|--|------------------------------------|--------------------------------------|-------------------------------------|
| 43133 | SPARK CHARTER | 157.56 | 415.97 | 573.53 |
| 43141 | BULLIS CHARTER | 1,525.37 | 3,399.23 | 4,924.60 |
| 43142 | LEADERSHIP PUBLIC SCHOOLS- SAN JOSE | 435.28 | 1,086.94 | 1,522.22 |
| 43143 | CHARTER OF MORGAN HILL | 173.78 | 359.20 | 532.98 |
| 43146 | DISCOVERY CHARTER | 538.32 | 1,278.97 | 1,817.29 |
| 43147 | ROCKETSHIP MATEO SHEEDY ELEMENTARY | 184.53 | 440.82 | 625.35 |
| 43148 | UNIVERSITY PREPARATORY ACADEMY CHARTER | 1,054.57 | 2,231.00 | 3,285.57 |
| 43149 | VOICES COLLEGE-BOUND ACADEMY | 42.33 | 98.41 | 140.74 |
| 43155 | MAGNOLIA SCIENCE- SANTA CLARA | 471.30 | 1,136.15 | 1,607.45 |
| 43158 | GILROY PREP SCHOOL | 44.00 | 124.00 | 168.00 |
| 43159 | CORNERSTONE ACADEMY PREPARATORY | 341.39 | 788.43 | 1,129.82 |
| 43160 | SUMMIT PUBLIC SCHOOL: TAHOMA | 48.60 | 100.44 | 149.04 |
| 43165 | SILICON VALLY FLEX ACADEMY | 338.64 | 699.83 | 1,038.47 |
| 43167 | ROCKETSHIP MOSAIC ELEMENTARY | 6.92 | 17.01 | 23.93 |
| 43169 | SUMMIT PUBLIC SCHOOLS: DENALI | 94.07 | 194.41 | 288.48 |
| 43170 | SUMMIT PUBLIC CHARTER- RAINIER | 93.16 | 192.55 | 285.71 |
| 43186 | DOWNTOWN COLLEGE PREP- SAN JOSE USD | 1,347.11 | 3,289.43 | 4,636.54 |
| 43187 | DOWNTOWN COLLEGE PREP- ALUM ROCK SCHOOL | 838.21 | 2,668.18 | 3,506.39 |
| 43240 | ACE CHARTER | 637.28 | 1,973.04 | 2,610.32 |
| 43252 | THE FOUNDATION FOR HISPANIC EDUCATION | 845.49 | 2,082.71 | 2,928.20 |
| 43282 | SUNRISE MIDDLE SCHOOL | 1.49 | 6.65 | 8.14 |
| 43352 | SAN JOSE CONSERVATION CORPS | 66.22 | 139.18 | 205.40 |
| 43452 | ESCUELA POPULAR ACCELERATED FAMILY LEARNING SCHOOL | 320.87 | 809.71 | 1,130.58 |
| TOTAL | | \$9,606.49 | \$23,532.26 | \$33,138.75 |