



District Business & Advisory Services

Judy Lee Kershaw, Director - DBAS: 408-453-6599

Bulletin: 18-028

Date: April 30, 2018

To: District Chief Business Officers
District Fiscal Directors
District Personnel and Payroll Directors

From: Nghia Do, District Business Advisor

Re: California Public Employees' Retirement System (CalPERS): Assembly Bill (AB) 1487 Section 20480 Out-of-Class Appointment Limitations and Penalties

The purpose of this bulletin is to inform Districts that AB 1487 became effective January 1, 2018 (adding Government Code section 20480) which prohibits school districts from making a limited term out-of-class appointment exceeding 960 hours each fiscal year. This applies to both Classic and Public Employees' Pension Reform Act (PEPRA) members.

G.C. section 20480 defines an out-of-class appointment to mean, "an appointment to an upgraded position or higher classification by an employer or governing board or body", into a vacant position for a limited duration.

A vacant position refers to a position that is vacant during recruitment for a permanent appointment. A vacant position does not refer to a position that is temporarily available due to another employee's leave of absence.

CalPERS Actions:

CalPERS will mail up to two (2) notification letters to each employer beginning June 2018:

- The annual notification will be sent within the month of June to remind Districts of the mandatory requirement to report by July 30, the number of hours an out-of-class employee has worked in a vacant upgraded position.
- The second notification will be sent within the month of September to inform Districts that CalPERS has not received their Out-of-Class Appointment Employer Certification form.

District's Responsibilities:

- Track hours worked per fiscal year for each vacant position occupied by an employee working out-of-class.
- Use the attached Out-of-Class Appointment Employer Certification form to report the hours worked that exceeded 960-hour limit in vacant position(s) to CalPERS Employer Account Management Division by **July 30** each year.
- Make timely payments of penalties resulting from G.C. section 20480.
- Ensure that out-of-class appointments of a limited term duration is in accordance with a collective bargaining agreement or a publicly available pay schedule.

Penalties:

School districts who violate the provision must:

- Make payments to CalPERS equal to three (3) times the employee and employer contributions that would otherwise be paid to CalPERS for the difference between the compensation paid for the out-of-class position and the compensation paid and reported to CalPERS for the member's permanent position. The penalty shall be applied for the entire period(s) the member serves in an out-of-class appointment.
- Pay an additional fee of \$200.00 to cover administrative expenses.

Employees working out-of-Class shall bear no liability, obligation, or expense as a result of the unlawful actions of the employer with respect to G.C. section 20480.

Please refer to CalPERS circular letter 200-021-18 (<https://www.calpers.ca.gov/docs/circular-letters/2018/200-021-18.pdf>) for more information.

Please distribute this memo within your District as deemed appropriate.



California Public Employees' Retirement System
 P.O. Box 942715 | Sacramento, CA 94229-2715
 888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442
 www.calpers.ca.gov

Out-of-Class Appointment Employer Certification

Out-of-class appointments shall not exceed 960 hours within a fiscal year. Per Government (Gov.) Code section 20480 of the Public Employees' Retirement Law, an out-of-class appointment is an appointment to an upgraded position or higher classification by an employer or governing board or body in a vacant position for a limited time. Vacant position refers to a position that is vacant during recruitment for a permanent appointment and it does not refer to a position that is temporarily available due to another employee's leave of absence.

The contracting agency employer or school employer shall track the hours worked by an employee serving in an out-of-class appointment and report that service to the system no later than 30 days following the end of each fiscal year.

Please complete this form if an Out-of-Class Appointment exceeded 960 hours in a fiscal year. Per Gov. Code section 20221, contracted employers must furnish CalPERS information requested.

Employer Name	
Employer CalPERS ID	
Member Name	
CalPERS ID	
Previous Position Title	
Out-of-Class Position Title	

Is the Out-of-Class Appointment a vacant position? Yes No

Is the Out-of-Class Appointment in a recruitment? Yes No

Total hours worked in Out-of-Class Appointment this fiscal year: _____ Hours

Begin Period Date	End Period Date	Payrate	Payrate Type	Total Earnings and Special Compensations

For additional Out-of-Class Appointments, please refer to supplemental form extension.

I hereby certify that the information on this form is true and correct. I understand this provides CalPERS with the information it needs to monitor out-of-class appointment and determines if there is a violation to the provision pursuant to Gov. Code section 20480.

Signature of authorized signer: _____

Printed name and title of authorized signer: _____

Telephone: _____

Date: _____

Email: _____

Fax Number: _____

For additional Out-of-Class Appointment, please fill out supplemental form(s).

Member Name	
CalPERS ID	
Previous Position Title	
Out-of-Class Position Title	

Is the Out-of-Class Appointment a vacant position? Yes No

Is the Out-of-Class Appointment in a recruitment? Yes No

Total hours worked in Out-of-Class Appointment this fiscal year: _____ **Hours**

Begin Period Date	End Period Date	Payrate	Payrate Type	Total Earnings and Special Compensations