



District Business and Advisory Services

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Bulletin: 20-010

Date: August 29, 2019

To: District Chief Business Officers
District Fiscal Directors
Payroll and Human Resource Directors

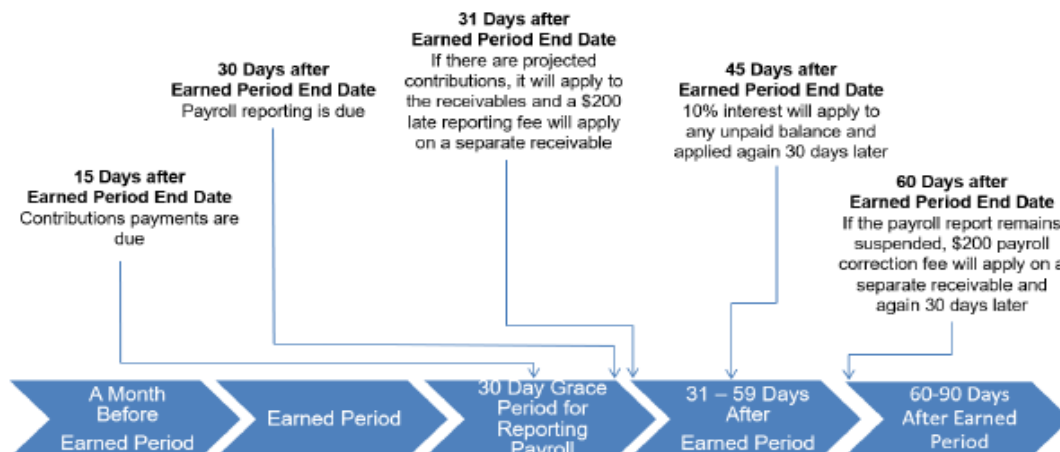
From: Nghia Do, District Business Advisor

Re: California Public Employees' Retirement System (CalPERS): Projected Contributions

The purpose of this bulletin is to remind districts and their payroll and HR staff that **starting July 1, 2019, CalPERS will project contributions for all active appointments with unposted payroll, and penalties will apply.** For background information, please refer to Bulletin 18-021 issued on February 2, 2018 regarding CalPERS' efforts to reconcile reported retirement appointments and payroll.

CalPERS will project contributions for any employees without reported payroll based on payroll activity and contributions from the prior three months. CalPERS will set up a receivable 31 days after the end date of each payroll period. If CalPERS identifies any projected appointment for a district, CalPERS will consider that earnings period (Earned Period) incomplete, and a one-time \$200 late reporting fee will be assessed on a separate receivable, with an additional \$200 administrative fee for each missing Retired Annuitant payroll record. For any contributions projected by CalPERS, the amount will not be posted to the employee's payroll record and the projected contributions will be reversed once the discrepancy is resolved; either with a deemed missing payroll reported, or the employee appointment updated, or the Earned Period confirmed to be appropriately unposted.

CalPERS will apply a 10% late payment interest to any unpaid balance on each contribution receivable beginning 45 days after the earned period end date and an additional 10% interest each 30 days thereafter until the balance is paid in full. A \$200 payroll correction fee will be assessed on a separate receivable at 60 days after each earned period end date if the payroll report remains suspended and again each 30 days thereafter until the payroll report is in **Posted** status. The following chart illustrates the timeline for assessing fees for projected contributions identified by CalPERS.



Action Required by Districts:

To avoid any late reporting fee and interest, Districts should routinely confirm any active appointments with unposted payroll for both active members and retired annuitants during the 30-day grace period after each earned period end date.

1. Sign on to my|CalPERS
2. Select the **Reporting** tab
3. Select the **Retirement Appointment Reconciliation** tab
4. Select **Fiscal Year** from the drop-down menu
5. Select **Earned Period** from the drop-down menu
6. Click Search
7. Generate Excel report (optional)
8. Review the search result
9. Select employee whose name appears in the search result to (instructions are provided in bulletin 18-021) and perform one of the following actions:
 - Confirm unposted payroll based the employment status of employees whose name appear in the search result.
 - Process a permanent separation for employees who were no longer with your district.
 - Delete appointments that were created in error.
 - Add a leave of absence event if needed.

The screenshot displays the myCalPERS Reporting interface. The 'Reporting' tab is selected, and the 'Retirement Appointment Reconciliation' sub-tab is active. The user is logged in as Santa Clara County Schools with CalPERS ID: 4808924344. The 'Unposted Payroll Reconciliation' section shows a reconciliation batch date of 08/28/2019 04:28 PM and a total of 14140 appointments listed. Below this is a search area for participants to reconcile, with filters for Program (CalPERS), Division, Member Category, Appt Status, Last Name, Retired Annuitant, SSN, Division CalPERS ID, Member Account Status, Payroll Past Due, and Participant CalPERS ID. The search filters are set to Payroll Schedule Type: Monthly, Fiscal Year: 2019/2020, and Earned Period: 07/01/2019 - 07/31/2019 due 08/30/2019. A 'Search' button is visible. The 'Participants With Unposted Payroll' section shows 3735 appointments listed. A table of participants is displayed with columns: Participant CalPERS ID, Name, Appt ID, Appt Status, Member Account Status, Retired Annuitant, Division, Last Reported Earned Period, Payroll Past Due, and Unposted Payroll Periods. The 'Unposted Payroll Periods' column is highlighted with a red box.

Please distribute this memo within your District as deemed appropriate.