



District Business and Advisory Services

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Bulletin: 20-011

Date: September 24, 2019

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

From: Nghia Do, District Business Advisor

Re: **Actions Required:** Refund of Fiscal Year 2018-19 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 during FY 2018-19. Attached is a listing, by district, of excess employer and member contributions as determined by CalSTRS.

Excess contributions commonly occur 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 contributions. The table below illustrates the difference between the DB and DBS contribution rates for FY 2018-19.

FY 2018-19			
	DB Contribution Rate	DBS Contribution Rate	Difference (Excess)
Employer	16.2800%	8.2500%	8.0300%
2% @ 60 Members	10.2500%	8.0000%	2.2500%
2% @ 62 Members	10.2050%	8.0000%	2.2050%

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

In accordance with the attached report, DBAS has processed the return of excess employer and employee contributions that is due to each school district. For each district, funds were transferred to the following fund-object:

- Dependent school districts: 010-9920
- County Office of Education: 800-9920
- Fiscally Accountable/Independent school districts: 010-9920
- Charter schools: payments were made through Automated Clearing House (ACH)

The refund of the FY 2018-19 employer contribution expenditures should be accounted for as revenue in the current fiscal year (California State Accounting Manual (CSAM) Procedure 560). Districts will be responsible for re-classifying the refund of the employer contributions to an appropriate revenue object code.

Actions Required by Districts:

For active employees, the refund should be processed as a negative amount in the deduction (PD) screen using [Vol-Ded code 8113 STRS PRIOR PERIOD ADJUSTM](#).

For terminated employees, the refunds should be processed by setting up a “penny pay line” for each former employee as follows:

- Create a penny (.01) pay line using [Stat-Ded NNNN](#) and [AC-P-C code 00-0-0](#)
- Select ‘Y – Yes, one time’ for the option ‘OK to pay?’ in Termination (TE) screen
- Use [Vol-Ded code 8113 ADD STRS PRIOR PERIOD ADJUSTM](#) with a negative refund amount in the Employee column in the deduction (PD) screen
- Use [Vol-Ded code 7308 MISC. COLLECTIONS/REFUNDS](#) to collect a penny (.01) from the penny (.01) pay line. This penny (.01) may be posted to fund 010 object 9946 in the District’s ledger (Optional)

Important: Districts must process both active and terminated employees’ refunds by December 13, 2019.

Districts can choose to process employee refunds on their own or authorize their DBAS accounting specialist to perform a mass upload of refunds to the employees’ QCC PD screen. Please contact your DBAS accounting specialist for any further instructions or support on how to perform a mass upload of refunds.

Whether processing refunds on your own or by authorization to your DBAS accounting specialist for support in making a mass upload of refunds to the employees’ PD screen, the establishment of the “penny pay line” for terminated employees must be performed at the district level.

Refunds will be listed as a negative amount and displayed as “STRS PRIOR PERIOD ADJUSTM” on the employee’s paystub.

DEDUCTIONS	TAX DEFERRED	EMPLOYER	EMPLOYEE
FEDERAL TAX			335.27
STATE TAX			164.20
MEDICARE		126.11	126.11
STRS	Y	1,380.30	980.47
UNEMPLOYMENT INSURANCE		4.35	
WORKER’S COMP. INSURANCE		144.90	
STATUTORY DEDUCTION TOTAL		1,655.66	1,606.05
ADD STRS PRIOR PERIOD ADJUSTM			-54.89
MED1 CAL PERS	Y		868.13
DUE MT HAMILTON CTA/NEA			117.80
EYE VISION SERVICE PLAN		15.31	
DEN DELTA DENTAL/CE #6178		155.05	
MED CAL PERS		1,706.00	
DFR DEFERRED PAY WITHHOLD			1,155.56
VOLUNTARY DEDUCTION TOTAL		1,876.36	2,086.60

Please distribute this memo within your District as deemed appropriate.

FY2018-19 STR EXCESS CONTRIBUTIONS REFUND - DEPENDENT SCHOOL DISTRICTS

Report Unit Number	Report Unit Name	Excess Member Contributions	Excess Employer Contributions	Total Contributions
43107	BERRYESSA UNION ELEMENTARY SD	7,877.22	31,145.77	39,022.99
43108	CAMBRIAN SD	4,168.42	16,533.38	20,701.80
43109	CAMPBELL UNION ELEMENTARY SD	9,907.83	41,132.32	51,040.15
43112	EVERGREEN ELEMENTARY SD	11,473.45	41,480.05	52,953.50
43113	FRANKLIN-MCKINLEY ELEMENTARY SD	11,386.38	46,268.63	57,655.01
43117	LAKESIDE JOINT SD	38.30	167.03	205.33
43119	LOMA PRIETA JOINT UNION ELEMENTARY SD	1,003.60	3,581.60	4,585.20
43120	LOS ALTOS ELEMENTARY SD	6,549.49	28,148.29	34,697.78
43121	LOS GATOS UNION ELEMENTARY SD	9,421.91	33,831.32	43,253.23
43122	LUTHER BURBANK SD	1,887.60	6,860.76	8,748.36
43126	MORELAND ELEMENTARY SD	14,899.96	60,291.52	75,191.48
43128	MOUNT PLEASANT SD	4,400.78	18,829.75	23,230.53
43129	MOUNTAIN VIEW WHISMAN SD	10,675.57	52,628.23	63,303.80
43130	OAK GROVE ELEMENTARY SD	14,361.33	56,080.29	70,441.62
43131	ORCHARD ELEMENTARY SD	1,633.77	6,568.40	8,202.17
43136	SARATOGA UNION ELEMENTARY SD	4,555.29	17,517.59	22,072.88
43137	SUNNYVALE SD	17,786.59	72,561.66	90,348.25
43139	UNION ELEMENTARY SD	11,176.45	46,686.03	57,862.48
43151	CAMPBELL UNION HIGH SD	44,432.89	172,085.26	216,518.15
43153	FREMONT UNION HIGH SD	44,149.16	170,992.39	215,141.55
43156	LOS GATOS-SARATOGA JOINT UNION HIGH SD	14,844.70	53,591.83	68,436.53
43157	MOUNTAIN VIEW-LOS ALTOS UNION HIGH SD	23,919.05	90,317.02	114,236.07
43162	METROPOLITAN EDUCATION DIST	2,194.82	9,037.91	11,232.73
43163	NORTH COUNTY REGIONAL OCCUPATIONAL PROGRAM	36.76	244.99	281.75
43181	PALO ALTO UNIFIED SD	58,669.34	230,162.31	288,831.65
43183	GILROY UNIFIED SD	42,421.14	167,615.18	210,036.32
43184	MORGAN HILL UNIFIED SD	18,115.61	68,212.55	86,328.16
43185	MILPITAS UNIFIED SD	38,067.81	151,083.69	189,151.50
43188	SANTA CLARA UNIFIED SD	70,008.94	271,938.82	341,947.76
43190	SANTA CLARA COE	40,646.34	155,652.37	196,298.71
TOTAL		540,710.50	2,121,246.94	2,661,957.44

FY2018-19 STR EXCESS CONTRIBUTIONS REFUND - FISCALLY ACCOUNTABLE/INDEPENDENT

Report Unit Number	Report Unit Name	Excess Member Contributions	Excess Employer Contributions	Total Contributions
43133	SPARK CHARTER	11.25	30.90	42.15
43141	BULLIS CHARTER	1,925.83	10,140.64	12,066.47
43143	CHARTER OF MORGAN HILL	256.00	1,023.50	1,279.50
43146	DISCOVERY CHARTER	1,370.66	6,455.14	7,825.80
43147	ROCKETSHIP MATEO SHEEDY ELEMENTARY	232.88	1,073.59	1,306.47
43148	UNIVERSITY PREPARATORY ACADEMY CHARTER	2,969.69	12,213.23	15,182.92
43149	VOICES COLLEGE-BOUND ACADEMY	65.11	235.00	300.11
43158	GILROY PREP SCHOOL	23.46	156.36	179.82
43159	CORNERSTONE ACADEMY PREPARATORY	960.07	4,548.93	5,509.00
43160	SUMMIT PUBLIC SCHOOL: TAHOMA	47.88	319.10	366.98
43167	ROCKETSHIP MOSAIC ELEMENTARY	12.58	83.81	96.39
43186	DOWNTOWN COLLEGE PREP-SAN JOSE USD	1,629.77	9,245.62	10,875.39
43187	DOWNTOWN COLLEGE PREP-ALUM ROCK SCHOOL	1,375.23	7,559.61	8,934.84
43240	ACE CHARTER	826.61	5,508.05	6,334.66
43252	THE FOUNDATION FOR HISPANIC EDUCATION	2,204.42	10,131.68	12,336.10
43352	SAN JOSE CONSERVATION CORPS	147.96	549.12	697.08
43452	ESCUELA POPULAR ACCELERATED FAMILY LEARNING	101.04	456.88	557.92
TOTAL		14,160.44	69,731.16	83,891.60

FY2018-19 STR EXCESS CONTRIBUTIONS REFUND - FISCALLY ACCOUNTABLE/INDEPENDENT

Report Unit Number	Report Unit Name	Excess Member Contributions	Excess Employer Contributions	Total Contributions
43104	ALUM ROCK UNION ELEMENTARY SD	28,247.42	114,554.25	142,801.67
43152	EAST SIDE UNION HIGH SD	112,285.62	443,103.23	555,388.85
43171	FOOTHILL DE ANZA CCD	207,432.59	765,670.88	973,103.47
43172	GAVILAN JOINT CCD	48,320.61	186,178.28	234,498.89
43175	WEST VALLEY-MISSION CCD	121,292.10	445,064.76	566,356.86
43176	SAN JOSE EVERGREEN CCD	131,574.93	480,695.38	612,270.31
43182	SAN JOSE UNIFIED SD	130,146.28	513,416.06	643,562.34
TOTAL		779,299.55	2,948,682.84	3,727,982.39