



California State Teachers'
Retirement System
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May 4, 2010

TO: All County Superintendents of Schools
District Superintendents of Schools and
Charter School Administrators

FROM: Jack Ehnes
Chief Executive Officer

SUBJECT: Employer Directive 2010-03
Charter School Reporting

PURPOSE

The purpose of this directive is to inform chartering authorities of a **required change** to the reporting of Monthly Reports of Retirement Contributions (F-496 files). This requirement is fully compliant with Chapter 3 of Part 26.8 of the Education Code, which mandates reporting of contributions in a format conforming to the requirements of CalSTRS.

CalSTRS requires charter schools that are operating on July 1, 2010 or later and do not use the payroll system of the chartering authority, to report their contributions under a unique report unit code.

In addition, this serves as a reminder to chartering authorities of their responsibility to ensure the integrity of the data and compliance with all reports required for each charter school under their authority.

SCOPE

This directive applies to all county superintendents of schools and district superintendents of schools that submit Monthly Reports of Retirement Contributions (F-496 files) on behalf of charter schools.

DISCUSSION

CalSTRS uses five-digit report unit codes assigned by the County Offices of Education (COE) to identify the County Offices of Education, districts, and charter schools. The first two digits identify the COE and the latter three identify the district or charter school. For example, the first two digits of 01030 identify Alameda COE (01) and the latter three identify Oakland Unified School District (030).

Charter school data that is not identified with a unique report unit code is commingled with that of the chartering district or COE. Assigning a unique report unit code to charter schools that do not use the payroll system of the chartering authority allows CalSTRS to distinguish charter school data from that of the chartering district or COE.

Further, in accordance with Section 47611.3 of the Education Code, the chartering authority shall ensure that each charter school under its authority complies with all reports required of charter schools by law, including Chapter 17 of Part 13 of the Education Code (beginning with Section 23000), which specifies when monthly reports are due and delinquent.

ACTION

Charter schools operating on July 1, 2010 or later, that do not use the payroll system of the chartering authority, and are not uniquely identified on the Monthly Reports of Retirement Contributions (F-496 files) submitted to CalSTRS by the COE must do the following:

- If the contributions are to be deducted on a pre-tax basis, complete an *Employer Paid Member Contributions Resolution*, to allow CalSTRS to accept contributions on a tax-deferred basis. The Resolution must be adopted by the school's governing board.
- Submit the Resolution to the COE.
- Contact the COE to be assigned a report unit code.
- The COE submits the Resolution and the report unit code to CalSTRS.

Please refer questions concerning this directive to your CalSTRS Employer Services representative.