



# Payroll – Retirement

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## Reference Guide

## **District Business & Advisory Services**

4/7/2014

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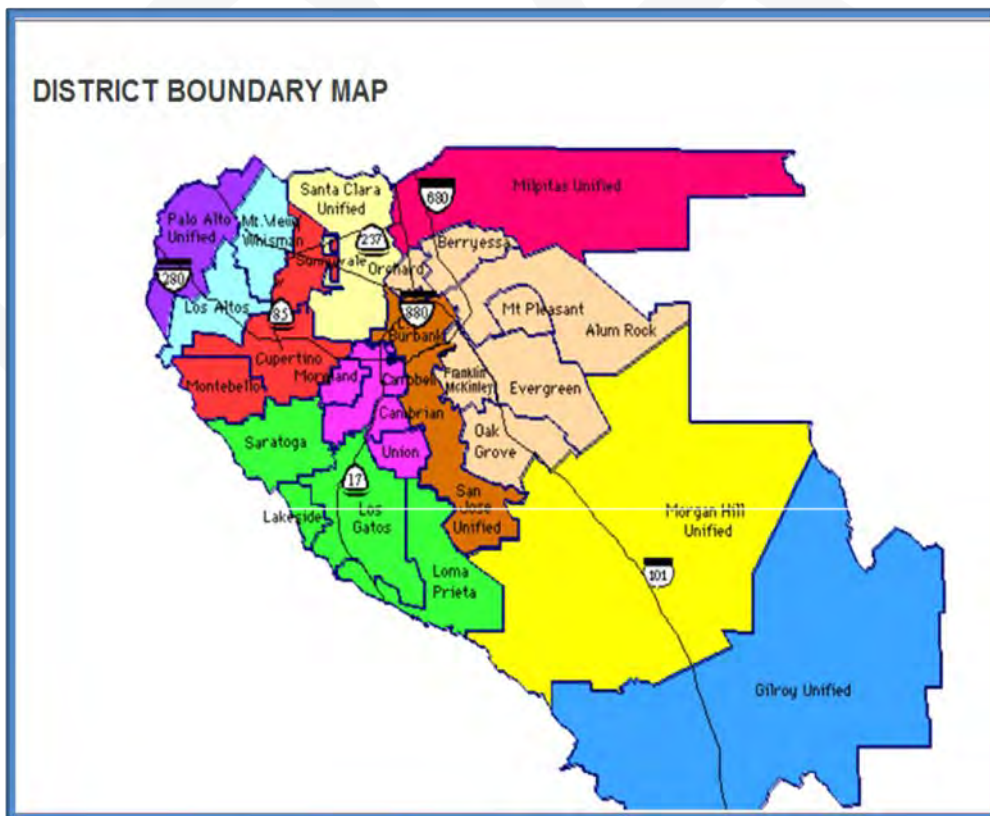


## Introduction

The Santa Clara County Office of Education (County Office) serves as a coordinating and regional service agency for local K-12 and community college school districts within the County of Santa Clara. An important function of the County Office is to provide resources and best practices in the area of school district business, including payroll and retirement reporting.

Santa Clara County contains 31 school districts grades K-12. The SCCOE serves students through special schools, alternative schools, Head Start and State Preschool programs, migrant education, and Regional Occupational Programs. The Office also provides curriculum support, staff development, and technology training programs directly to teachers and staff in schools countywide.

We created this document as a resource for district payroll, personnel and retirement staff and hope that you find it valuable. We invite you to offer comments and suggestions as to how we may better serve the Districts in the future.



## District Business and Advisory Services

District Business and Advisory Services (DBAS) provides a full range of business services to all school districts and related educational entities in the county.

DBAS provide services in the areas of payroll, finance, attendance accounting, record retention, legislation, training, and the data processing systems associated with those areas.

### SERVICES

#### *Advisory Services*

- Calculates revenue using Local Control Funding Formula (LCFF)
- Maintains district cash balances
- Maintains district property tax revenues
- Reports on deferred maintenance and advise districts on accounting and financial reporting
- Acts as a business manager for small service districts (less than 900 ADA)
- Reviews district budgets, interim reports and audits

#### *Attendance Regulation*

- DBAS publishes school district calendars
- Advises and trains districts on attendance rules
- Collects and recommends certification of monthly attendance reports

#### *Business Services*

- Distributes district apportionments
- Reconciles bank and county controller accounts
- Maintains master chart of accounts
- Provides business training and workshops on District best practices

#### *Payroll Audit*

- Processes wage garnishments
- Monitors retirement reporting, wage and tax reporting
- Disseminates information on payroll regulations
- Audits W2 reporting

## Abbreviations

### Common abbreviations used throughout this document:

- **DBAS**- District Business & Advisory Services
- **DB Account** – Defined Benefit Account (STRS)
- **DBS Account** – Defined Benefit Supplemental (STRS)
- **EIC** – Employer Information Circular (STRS)
- **EPMC** – Employer Paid Member Contributions (PERS)
- **PERS** – Public Employees Retirement System
- **REAP** – Remote Employer Access Program (STRS)
- **Ret. Base** – Pay Rate @ 100% FTE (QCC)
- **SCCOE**- Santa Clara County Office of Education
- **SEW** – Secure Employer Website (STRS)
- **SMF** – STRS Match File
- **SR** – Service Retirement (STRS)
- **St-Ded** – Statutory Deductions (QCC)
- **STRS** – State Teachers Retirement System



### Direct Deposit Recall

A Direct Deposit Recall is initiated by the district when there is an error with an employee's pay or when the employee was not entitled to any compensation.


- Direct Deposit Recall Request Form is e-mailed to the Districts' Accounting Specialist to start the process. Once the form is received, the process begins immediately.
  - **Note:** The recall form cannot be submitted to the bank prior to the pay date.
- There is a waiting period of five (5) business days to confirm that the recall is successful.
- Once confirmed the Accounting Specialist will contact the district payroll staff.
- The warrant will be cancelled on the next Payroll Cancel Warrant Run, this process is done:
  - One day before 10<sup>th</sup> of the Month
  - One day before End of the Month Payroll Close

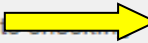
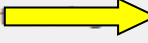
### Direct Deposit Reject/Reissue

A Direct Deposit Reject/Reissue is processed when the bank has rejected a Direct Deposit (DD) due to an incorrect account number or an account that is closed.

- It may take up to 5 business days to see any rejected items.
- DBAS will issue an AP Warrant for the Net Amount for any DD's that have been rejected; warrant will be available the next day. Comments of the cancelled warrant will be posted to the employees' WR screen in QCC and backup will be emailed to your district payroll staff.
- District payroll staff will be advised to change the banking information to a valid Direct Deposit account or request to receive live warrants.
- If changes are not made in QCC, the system WILL NOT correct itself and produce a live warrant on payday the next month. Ensure that corrections in QCC are made when notified of the rejection to ensure the employee will be paid in a timely manner the following pay day.
- Once an employee's Direct Deposit has rejected for 2 consecutive months, the net amount will be returned to the District via Cash Transfer. It will be the district's responsibility to reissue the net to their employee.
- Please be advised that for NEW Direct Deposits you should always "Pre-Note" to validate the accuracy of the Bank Routing and Account Information.
- DBAS will notify district payroll staff, if a pre-note is unsuccessful.

**Direct Deposit**

Transaction Type:  

<input type="radio"/> 22 = Deposit		<input type="radio"/> 23 = Prenote to checking
<input type="radio"/> 32 = Deposit		<input type="radio"/> 33 = Prenote to savings
<input type="radio"/> 00 = No auto deposit		<input type="radio"/> 99 = Special (no ACH) deposit to CU

**Bank Routing and Account Information**

Transit/ABA number:

Account number:



### Stale Dated Warrants

Warrants that are not presented for payment within a specific amount of time (180 Days) are considered stale dated and will no longer be valid for redemption.

Effective 01/04/2011, Bank of America created a stale dated process for districts who process payroll or accounts payable through the SCCOE disbursement accounts. This process states that all 180-day outstanding warrants will be automatically cancelled by the bank, based on the 365-day calendar year. The counting will start the next calendar day after the issue date of the warrant.

**For example:** A warrant that has the issue date 07/30/2013 will reach 180-days old on 01/26/2014. It becomes stale dated and will be cancelled automatically on 01/26/2014.

The report for all stale dated cancellations can only be generated on a monthly basis. A cancelled stale dated warrant will not appear under the bank's inquiry search during the month. DBAS contacts the Bank of America Service Center to verify the status of the warrant and whether it is cancelled at the bank due to it being stale dated.

DBAS prepares a cash transfer (TF) to refund the net pay amount of all stale dated payroll warrants that are in the stale dated cancellation report for that month. The Accounting Specialist will inform their districts and provide the backup to support the cash transfer created.

**Reference:**

GC 50050 through 50057 for instructions on dealing with items that are payable to third parties but remain unpaid. There are legal consequences for not complying with Government Code. You may want to consult with your legal counsel and draft an official policy on dealing with such items.

### Deceased Warrant Processing

The district has a fiduciary responsibility to ensure that the final compensation of a deceased employee is received by their beneficiary.

When the recipient of a payroll warrant perishes while the warrant is still negotiable:

- The District needs to notify DBAS to hold the warrant and cancel payment of this warrant at the bank.
- DBAS will transfer the net amount of the payroll warrant via cash transfer (TF) to the district upon receiving confirmation from the bank for the cancelled check.
- The District will issue a replacement warrant to the beneficiary to avoid any inconvenience to the family

If a warrant is stale dated and the payee is deceased:

- DBAS will issue the net warrant back to the District via cash transfer (TF) for the stale dated warrant.
- The District will then issue a replacement warrant to the successor.

#### Reference:

Per California Probate Code section 13100 (used by all COEs) if 40 days have elapsed since the death of a person, their successor may collect any item of property that is money due the decedent as long it is valued at less than \$100,000. This can be done without any letters of administration or probate of the will.

**Deferred Pay**

Deferred Pay is available for employees’ who work 10 or 11 months in a fiscal year. The employee may elect to split their *net pay* over 12 months; this does not affect their gross wages or taxable income. For normal deferred pay deduction and repayment, the Pay Schedule field on the W4 screen defines when deferred pay transactions occur. Pay Schedules contain 6 characters; the 4<sup>th</sup> character (**R**) is the one that calculates Deferred Pay.

TSB begins the payroll extraction process after DBAS releases payroll for production. The payroll extraction must be error free in order for it to be successfully processed. Often the process becomes hindered due to errors on employee pay lines and the process cannot be completed. Manual intervention must be used to correct these errors so that payroll can be completed and warrants produced.

**Common Error - Negative Deferred Pay Amount**

Please be aware that negative earnings adjustments affect deferred pay. The *net pay* comes out as a positive number after the Statutory Deductions, Voluntary Deductions, and Deferred Pay is calculated.

In the event that a negative net pay occurs during the payroll production, DBAS staff will have to change the Pay Schedule on the pay line that is causing this error. DBAS will notify districts payroll staff of this change.

**Example:** Change from E10R07 (Deferred Pay) to E10B07 (Benefits only)

W4 screen sample:

Control Information			
Check sort:	0210 - GILROY HIGH	Alt check sort:	
Pay code:	01 - CERTIFICATED SALARIED	Primary RS:	01 - STRS CERTIFICATED RETIREMENT Unit: 000
Ret code:	54-0-1	Secondary RS:	00 - NO CODE Unit: 000
Pay schedule:	E10R07 - EOM 10MOS REPAY-JUL DS-REG	Statutory ded:	TMNS - FIT SIT MEDI STRS
DPO:	D ← Regular funding	EIC:	Sub: 0 - Not sub Def Pay Bal: 5,599.71
Control group:	AA - CERTIFICATED 10	ACA Class	Current: 0000

DPO Value, Repayment, Deduction and Pay Schedule chart

**Deferred Pay**

DPO Value	Repayment Occurs when	Deduction for Deferred Pay	W4 Pay Schedule	DOP Value After Repayment
<b>RP</b>	...employee receives any gross pay	...will be deducted for gross paid on a "REG" pay schedule AND ...will NOT be deducted for gross paid on a "SUP" pay schedule	E10R06 E10R07 E11R06 E11R07 E11R08	D
<b>RR</b>	...employee receives gross pay on a "REG" pay schedule	...will be deducted because employee is receiving a "REG" pay on deferred pay schedule	E10R06 E10R07 E11R06 E11R07 E11R08	D
<b>RS</b>	...employee receives gross pay on a "SUP" pay schedule	...will be deducted for gross paid on a "REG" pay schedule AND ...will NOT be deducted for gross paid on a "SUP" pay schedule	E10R06 E10R07 E11R06 E11R07 E11R08	D
<b>RA</b>	...the district authorizes ANY type of payroll, whether the employee receives gross or not	...will be deducted for gross paid on a "REG" pay schedule. AND ...will NOT be deducted for gross paid on a "SUP" pay schedule	E10R06 E10R07 E11R06 E11R07 E11R08	D
<b>XP</b>	...employee receives any gross pay	...not taken	Any non-deferred-pay, pay schedule	N
<b>XR</b>	...employee receives gross pay on a "REG" pay schedule	...not taken	Any non-deferred-pay, pay schedule	N
<b>XS</b>	...employee receives gross pay on a "SUP" pay schedule	...not taken	Any non-deferred-pay, pay schedule	N
<b>XA</b>	...the district authorizes ANY type of payroll, whether the employee receives gross or not	...not taken	Any non-deferred-pay, pay schedule	N

## How Deferred Pay is calculated:

<i>E10R07</i> NML Gross Pay Line	6,559.12
FIT	(448.45)
SIT	(82.39)
MEDI	(76.33)
RET	(524.73)
CLD1	(500.00)
DEN1	(36.18)
DIS	(52.56)
DUE	(100.06)
MED1	(683.52)
MIS1	(75.00)
TSA	(342.00)
Total Deductions	(2,921.22)
<i>E10R07</i> NML Gross – All Deductions	3,637.90
For Deferred Pay Calculation take NML Gross – All Deductions x 16.70%	607.68
Net Pay =	3,030.22



### Credential Holds

No order for a warrant, and no warrant drawn pursuant to Section 42647, shall be drawn in favor of any person employed in a position requiring certification qualifications.

**Reference:**

California Education Code section 45034

The County Office of Education shall withhold all payroll warrants for certificated employees who provide services in a Certificated Position without possessing valid documents with the following stipulations:

- Teachers who are eligible to renew “Clear” may file the *CL-224- Approval of Services Rendered without a Valid Credential form* with the Credentials Unit of the Santa Clara County Office of Education. The Commission on Teacher Credential makes the decision to approve or disapprove these forms at its regularly scheduled Commission Meeting. This process can take up to several months to complete. Please be reminded that the payroll warrants shall be withheld until approval is received.
- Please be aware that there is no process to approve the services rendered by those persons whom are not eligible to renew a “Clear Credential”. It is the Districts’ responsibility to verify that all Certificated employees have valid Certification prior to rendering services.

The SCCOE Credentials Department sends DBAS a list that includes employees that have either revoked or expired credentials the day after payroll closes for the districts. The Accounting Specialists are required to inactivate the employee’s certificated pay lines and notify district’s payroll staff once the report is received. It is not legal to change the employee to a classified account string if they were working in a certificated position.

The authorized manager at the district must certify in writing if the employee was working in a position that did not require a credential. This must include a statement that names the position the employee held, the dates that the employee worked in the position, and a copy of the job description. DBAS will make a determination and remove the credential hold if applicable.

**Workers Compensation**

Employees who are injured on the job are compensated for wages missed during the time they are not able to work. The district is responsible for ensuring that the employee is paid accurately.

Generally, the district receives the checks directly from worker’s compensation carrier. In the event the employee erroneously receives a worker’s compensation check, he/she must endorse the check over to the district.

The district payroll person is responsible for adjusting the workers compensation line in the payroll system and it is important to know that the amount of the worker’s compensation adjustment cannot exceed the employee’s *taxable gross wages*.

The first step to correct worker’s compensation would be to inspect the employees Payroll History-*PI* screen or the *PD* screen for payroll information needed to calculate the adjustment.

**Payroll History - PI screen sample:**

Payroll History | Inspect (PHUPDT) | Inspect Detail (PHINSP) | Warrant Distribution | CTD Totals

Reverse Amounts

Date pd 01/31/2012 Per. end 01/31/2012 Eff-Y 12 Qt 01 PLoc: 0203 APD 22 Tax calc type R  
 Warrant: Pay code 02 Ret-sys 02 SC 05 CC: 00 Status M Tax annualization factor 10

Exempt 838.29 +	Regular 33.74 +	Federal 0.00 +	Ceta 0.00
Gross 872.03 -	NTX 838.29 -	TSA 0.00 +	Fed/IG: 0.00
	STRS-TS: 0.00 -	PERS-TS: 0.00 =	Fed Tax Gross 33.74
		State/IG: 0.00 =	State Tax Gross 33.74
OASDI Gross 33.74	MEDI Gross 33.74	SDI Gross 0.00	
- Federal Tax 0.00 +	Advance EIC 0.00 -	OASDI 1.42 -	Survive Ben 0.00
- State Tax 0.00 -	County Tax 0.00 -	STRS: 0.00 -	Misc Deducts 865.55
- PERS 0.00 -	Medicare 0.49 -	SDI 0.00 =	Net Pay 4.57
			Calc Net Pay 4.57

CAR allowance 0.00	Emplr pd STRS: 0.00
Deferred Comp 0.00	Emplr pd PERS: 65.31
USER1: 0.00	Emplr pd MEDI: 0.00
USER2: 0.00	Emplr pd FICA: 0.00
USER3: 0.00	RFU-1: 0.00
USER4: 0.00	RFU-2: 0.00
USER5: 0.00	RFU-3: 0.00

Voluntary Deductions

Code	Description	Employee Amount	Employer Amount	Subjectivity
4001	DUE CSEA	27.26	0.00	00
2909	DEN1 CENTRAL VALLEY TRUST, DEN	67.19	0.00	01
2524	DEN CENTRAL VALLEY TRUST, DEN	0.00	67.19	01
4905	EYE1 CENTRAL VALLEY TRUST, VISI	11.10	0.00	01
4517	EYE CENTRAL VALLEY TRUST, VISI	0.00	11.09	01
3039	DIS THE STANDARD (CTA-MEMBER)	0.00	3.14	00
6927	MED1 CENTRAL VALLEY TRUST INT	760.00	0.00	01
6558	MED CENTRAL VALLEY TRUST INTE	0.00	312.50	00

**Workers Comp Adjustment/Calculation:** The district payroll person should adjust the worker's compensation line in payroll as follow:

**Calculation:**

**Gross Pay – DEN1 - EYE1 – MED1 – Retirement – TSA = *Workers Comp Adjustment***

NML Gross Pay	3,559.12
DEN1	(36.18)
EYE1	(100.06)
MED1	(683.52)
Retirement	(524.73)
TSA	(1,000.00)
Total Deductions	(2,344.49)
<b>Gross – All Deductions = Taxable Gross</b>	<b>1,214.63</b>
<b>Your Workers Comp Adjustment is</b>	<b>1,214.63</b>

You cannot adjust more than the Taxable Gross allowed based on the sample calculation above; doing so will create a negative taxable gross.

**IMPORTANT:**

If at the end of the year the employee's payroll history record shows a negative taxable gross the system will not generate a W2 for this employee.



Workers Compensation Adjustment Dock to NML Gross Pay Line:

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	W/SC	SCT
	4,073.00	1.00	L	P	4,073.00	NML	TFNP			4,073.00	08	1	1		
Adjustment >	-1,168.94	1.00	L	P	-1,168.94	NML				4,073.00	08	1	1		

Workers Compensation Adjustment Issue on NEW pay Line: Please make sure when creating a new pay line you enter the same **Ret. Base/Pay Rate, AC-P-C code and Pay Schedule** as the one on the NML pay line.

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	W/SC	SCT
	1,168.94	1.00	L2		1,168.94	NIX	WNNP			4,073.00	08	1	1		
Adjustment >	0.00	0.00			0.00	NIX				0.00	08	1	1		



### Payroll Cancellations

School districts submit Warrant Cancellation Request Form to DBAS for a warrant that needs to be cancelled in the QCC system due to an incorrect pay or the employee was not entitled to any compensation.

All expenditures are reversed on the District's general ledger during the Payroll Warrant Cancellation process. Occasionally, there have been payments made out to different entities on employee's behalf and DBAS needs to recuperate those amounts.

DBAS will review the PAY510 Cancellation Warrant Report for any voluntary deduction payments that were made. Your Accounting Specialist will create a cash transfer to cover the payments made to:

- Credit Unions: Vol-Ded's in the 2XXX's
- Donations: Vol-Ded's in the 3XXX's
- CTA Dues: Vol-Ded's in the 4XXX's
- Garnishments: Vol-Ded's in the 5XXX's
- TSA's: Vol-Ded's in the 9XXX's

It will be the district's responsibility to recover the paid amounts from their employee. The district will be notified and asked for the appropriate account string to use for the transaction. The transfer along with the backup will be emailed to the district payroll staff upon approval.

**Payroll Cancels and Re-issues**

This next section will illustrate 4 scenarios requiring payroll cancels and reissues and how they should be processed to correctly state the employee’s payroll history in QCC and ultimately their W-2.

**Example #1:** The warrant was issued in error to the employee and the employee was terminated on the day of, or after the issuance of the erroneous check.

	Warrant Issued	Cancelled in QCC
Gross	7,420.50	(7,420.50)
Fed Tax	394.60	(394.60)
State Tax	147.10	(147.10)
OASDI	-	-
Medicare	104.68	(104.68)
TSA	250.00	(250.00)
Retirement	593.64	(593.64)
Vol-Ded	337.95	(337.95)
Vol-Ded Credit Union	600.00	(600.00)
Vol-Ded Garnishment	150.00	(150.00)
<b><u>Net Pay</u></b>	<b><u>4,842.53</u></b>	<b><u>(4,842.53)</u></b>

**Steps to follow:**

1. Calculate the check amount to be collected from the employee:

Net Pay Amount	+ TSA	+ Credit Union	+ Garnishment	
4,842.53	+ 250.00	+ 600.00	+ 150.00	= <b>5,842.53</b>

2. The district must contact the employee and have them issue a check back to the district for 5,842.53.
3. The district will deposit the check and authorize DBAS to process a cash transfer to reimburse the payroll revolving account.
4. The district will submit a Warrant Cancellation Request form and DBAS will cancel the payroll warrant in QCC only. At this point, the money will automatically post to the district’s books and the employee’s payroll history will be correctly stated in QCC.



**Example #2:** The Employee is overpaid but still employed by the district.

	Original Warrant (CXL in QCC)	Reissued Warrant (CXL @ BANK)	Difference	Cancelled in QCC
<b>Warrant No.</b>	<b>92000001</b>	<b>92000002</b>	-	<b>92000001</b>
<b>Issue (Cancel) Date</b>	01/31/14	02/04/14	-	(02/03/14)
<b>Gross</b>	7,420.50	5,000.00	2,420.50	(7,420.50)
<b>Fed Tax</b>	394.60	275.00	119.60	(394.60)
<b>State Tax</b>	147.10	110.00	37.10	(147.10)
<b>Medicare</b>	107.59	72.50	35.09	(107.59)
<b>TSA</b>	250.00	250.00	-	(250.00)
<b>Retirement</b>	593.64	400.00	193.64	(593.64)
<b>Vol-Ded</b>	337.95	-	337.95	(337.95)
<b>Vol-Ded Credit Union</b>	600.00	600.00	-	(600.00)
<b>Vol-Ded Garnishment</b>	150.00	150.00	-	(150.00)
<b><u>Net Pay</u></b>	<b><u>4,839.62</u></b>	<b><u>3,142.50</u></b>	<b><u>1,697.12</u></b>	<b><u>(4,839.62)</u></b>

**Steps to follow:**

1. Calculate the check amount to be collected from the employee:

<u>Net Pay Amount</u>	+ TSA	+ Credit Union	+ Garnishment	
1,697.12	+ 0.00	+ 0.00	+ 0.00	<b>= 1,697.12</b>

2. The District will contact the employee and have them issue a check back to the District for the Net Pay Amount of 1,697.12.
3. The district will deposit the check and submit a Warrant Cancellation Request form and DBAS will cancel the original payroll warrant in QCC only.
4. The District will then reissue a warrant with the correct Net Pay Amount of 3,142.50. The reissue must include the TSA (250.00), Credit Union (600.00), and Garnishment (150.00) amounts, since DBAS will not be able to recover these amounts.
5. The district will submit another Warrant Cancellation Request form for the reissue warrant and DBAS will cancel the reissue warrant at the bank only, so that the reissued warrant cannot be cashed and is still reflected in QCC.

**Example #3:** The employee is paid twice i.e., a duplicate payment.

	Warrant Issued	Duplicate	Cancel Duplicate WR
Warrant No.	92000003	92000010	92000010
Issue (Cancel) Date	01/31/14	02/10/14	(02/21/14)
Gross	7,420.50	7,420.50	(7,420.50)
Fed Tax	394.60	394.60	(394.60)
State Tax	147.10	147.10	(147.10)
OASDI			
Medicare	107.59	107.59	(107.59)
SDI			
TSA	250.00	250.00	(250.00)
Retirement	593.64	593.64	(593.64)
Vol-Ded	337.95	337.95	(337.95)
Vol-Ded Credit Union	600.00	600.00	(600.00)
Vol-Ded Garnishment	150.00	150.00	(150.00)
<b><u>Net Pay</u></b>	<b><u>4,839.62</u></b>	<b><u>4,839.62</u></b>	<b><u>(4,839.62)</u></b>

**Steps to follow:**

1. Calculate the check amount to be collected from the employee:

$$\begin{array}{r}
 \text{Net Pay Amount} \\
 4,839.62
 \end{array}
 + \text{TSA}
 \begin{array}{r}
 + 250.00
 \end{array}
 + \text{Credit Union}
 \begin{array}{r}
 + 600.00
 \end{array}
 + \text{Garnishment}
 \begin{array}{r}
 + 150.00
 \end{array}
 = \mathbf{5,839.62}$$

2. The district must contact the employee and have them issue a check back to the district for 5,839.62.
3. The district will deposit the check and authorize DBAS to process a cash transfer to reimburse the payroll revolving account.
4. The district will submit a Warrant Cancellation Request form and DBAS will cancel the duplicate warrant in QCC only. At this point, the money will automatically post to the district’s books and the employee’s payroll history will be correctly stated in QCC.

**Additional Taxes - Federal and State**

When an employee chooses to have extra Federal and State taxes taken out of their NML gross pay, districts must use the PD screen for this process:

- Vol-Ded 8700 for Federal Taxes
- Vol-Ded 8600 for State Taxes

PD Screen Sample: **Excess Federal and State Taxes**

Ln	DS	Code	Code Name	Plan	Employee	Employer	T	RL	B	F	S	vb	Minimum	Maximum
1	12	8700	EXCESS FEDERAL TAX		50.00	0.00							0.00	0.00
2	12	8600	EXCESS STATE TAX		50.00	0.00							0.00	0.00

**IMPORTANT:**

**DO NOT** use the additional taxes field on the W-4 screen as this causes errors in payroll posting.

EXEMPT											
Status	Exemptions		Tax-CC	Y	A	N	Special Tax Rules	Additional	Hold/Ignore	Deduction Schedule	
Federal: S	02	00	00	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="checkbox"/> 0.00	<input checked="" type="checkbox"/> 50.00			
State: S	02	00	05	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="checkbox"/> 0.00	<input checked="" type="checkbox"/> 50.00			
County:				<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>				
City:				<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>				
Local:				<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>				

## Garnishments

Garnishments are generally the end result of a failure to pay. As recourse, agencies are able to collect money owed from employees including interest and penalties through court orders.

As a courtesy to the Districts, DBAS processes garnishment payments to garnishing agencies for employees at Santa Clara County School Districts. Currently, we do not pass the fees for this service to the employees who have active orders. The law allows for the collection of these fees.

DBAS receives garnishment orders, modifications, and withdrawals from various agencies. Each agency has specific rules and regulations. Nonetheless, all garnishments must be processed during the first payroll after ten days of our receipt.

- If a withdrawal is not received before the district payroll close date, then the payment must be remitted to the garnishing agency.
- It is the employees' responsibility to contact the garnishing agency to make payment arrangements or to dispute an order.
- If the district receives a garnishment, release or modifications of order please forward to DBAS.

Agency	Vol-Ded Vendor Code	Comments
Internal Revenue Service	5515	
Franchise Tax Board	5514	
Child Support Division	5513	Check sent directly to recipient
Child Support Division	5511	Within Santa Clara County
Child Support Division	5516	Outside of Santa Clara County
Student Loan Division	5520	
Court Ordered Debt	5517	
Sheriff's Department	5512	
Vehicle Registration Division	5521	
Out of State Order	5518	
Bankruptcy	5519	

- 5514, 5517, & 5521 - 25% of the disposable income & must have over \$ 942.50 in STAT NET to withhold
- 5512 - 25% of the disposable income & must have over \$1,386.67 in STAT NET to withhold
- 5511, 5513, 5516, 5518, & 5519 - Flat payment amount set by the Agency
- 5515 - Employee Net take home is \$845.83 based on a "single" filing status
- 5520 - 15% of the disposable income & must have over \$ 942.50 in STAT NET to withhold

### Third Party Sick Pay

#### What Is Third-Party Sick Pay?

Sick pay generally means any amount paid under a plan because of an employees' temporary absence from work due to injury, sickness, or disability. These payments include both short and long-term benefits. However, only the first 6 months of the benefits are taxable.

#### What is NOT Considered Third Party Sick Pay?

- Disability retirement payments
- Worker's Compensation Sick pay, which is made after the first six calendar months following the last calendar month in which the employee performed services for the employer. This Third Party Sick benefit is not subject to FICA and Medicare.
- Payments in the nature of worker's compensation-Public Employees
- Medical expense payment
- Payments unrelated to absence from work

#### Reference:

IRS 2014 Publication 15-A for detail examples of Third party payments that are not sick pay by the Internal Revenue Service.

#### Who is responsible to Report Payment?

##### Third Party as an Employer's Agent

The third party that makes payments of sick pay as your agent is not considered the employer and generally has no responsibility for employment taxes. This responsibility remains with the employer. These payments should be paid directly to the employer and the employee should be paid through the employer's payroll system. Liability payments for employee and employer taxes are the responsibility of the employer: e.g. if a third party provides administrative services only, the third party is your agent.

##### Third Party NOT as an Employer's Agent

A third party that makes payments of sick pay other than as an agent of the employer (If the third party is paid an insurance premium and is not reimbursed on a cost-fee-basis, the third party is not your agent) is liable for federal income tax withholding (if requested by the employee) and the employee part of the social security and Medicare taxes. The third party is also liable for the employer's part of Social Security, Medicare, FUTA and preparing the quarterly tax returns and the reporting of W2.



**Reference:**

Section 931.5 of the California Unemployment Insurance Code (CUIC) provides that third-party sick payments are “wages” for the purpose of reporting Unemployment Insurance (UI) and Employment Training Tax (ETT). These payments are also reportable as Personal Income Tax (PIT) wages, which are wages subject to California personal income tax. Even though PIT withholding on these wages is not mandatory, the wages are considered taxable income to the recipient and must be reported on the recipient’s California income tax return. Without exception, payments for third-party sick pay are not subject to State Disability Insurance (SDI).

**IMPORTANT:**

- Districts must ensure that third party vendors that are making payments directly to the employees are responsible for the tax remittance and reporting.
- All third party sick leave requiring district burden tax payments need to be processed through the payroll system.
- Manual processing of third party sick leave totals will no longer be processed. By eliminating the need for manual adjustments during calendar year end processing, payroll history records will retain data integrity and employees should receive their W2 forms earlier in January.

**W2 Reporting Changes for the Calendar Year of 2014****Returned wage reports from the Social Security Administration (SSA)**

Effective January 2014, the SSA will return Form W-2 electronic and paper wage reports under the following conditions:

- Medicare wages and tips are less than the sum of social security wages and social security tips
- Social security tax is greater than zero; social security wages and social security tips are equal to zero
- Medicare tax is greater than zero; Medicare wages and tips are equal to zero

If the above conditions occur in an electronic wage report, the SSA will notify the submitter by email or postal mail to correct the report and resubmit it to the SSA. If the above conditions occur in a paper wage report, the SSA will notify the employer by email or postal mail to correct the report and resubmit it to the SSA.

**REMINDER****\$2,500 limit on health flexible spending arrangement (FSA)**

For plan years beginning after December 31, 2012, a cafeteria plan may not allow an employee to request salary reduction contributions for a health FSA in excess of \$ 2,500.

**Additional Medicare Tax**

Beginning January 1, 2013, an employer is required to withhold a 0.9% Additional Medicare Tax on any Federal Insurance Contributions Act (FICA) wages compensation it pays to an employee in excess of \$200,000 in a calendar year. An employer is required to begin withholding Additional Medicare Tax in the pay period in which it pays wages or compensation in excess of \$200,000 to an employee and continue to withhold it until the end of the calendar year. Additional Medicare Tax is only imposed on the employee. There is no employer share of Additional Medicare Tax. All wages and compensation that are subject to Medicare tax are subject to Additional Medicare Tax withholdings if paid in excess of the \$200,000 withholding threshold.

**Group-term life insurance**

You must include in boxes 1, 3 and 5 the cost of group-term life insurance that is more than the cost of \$50,000 of coverage, reduced by the amount the employee paid toward the insurance. Use publication 15-B to determine the cost of the insurance. Also, show the amount in box 12 with code C. For employees, you must withhold social security and Medicare taxes, but not federal income tax. For coverage provided to former employees, the former employees must pay the employee part of social security and Medicare taxes on the taxable cost of group-term life insurance over \$ 50,000 on Form 1040. You are not required to collect those taxes. However, you must report the uncollected social security tax with code M and the uncollected Medicare tax with code N in box 12 of Form W-2. However, any uncollected Additional Medicare Tax (on the cost of group-term life insurance, which, in combination with other wages, is in excess of \$200,000) is not reported with code N in box 12.

**Health savings account (HSA)**

You must report all employer contributions (including an employee's contributions through a cafeteria plan) to an HSA in box 12 of Form W-2 with code W. Employer contributions to an HSA that are not excludable from the income of the employee also must be reported in boxes 1, 3 and 5.

**Reference:**

IRS Publication: General Instructions for Forms W-2 and W-3

**Form W-2 Reference Guide for Box 12 Codes**

<b>A</b>	Uncollected social security or RRTA tax on tips	<b>K</b>	20% excise tax on excess golden parachute payments	<b>V</b>	Income from exercise of nonstatutory stock option(s)
<b>B</b>	Uncollected Medicare tax on tips (but not Additional Medicare Tax)	<b>L</b>	Substantiated employee business expense reimbursements	<b>W</b>	Employer contributions (including employee contributions through a cafeteria plan) to an employee's health savings account (HSA)
<b>C</b>	Taxable cost of group-term life insurance over \$50,000	<b>M</b>	Uncollected social security or RRTA tax on taxable cost of group-term life insurance over \$50,000 (former employees only)	<b>Y</b>	Deferrals under a section 409A nonqualified deferred compensation plan
<b>D</b>	Elective deferrals to a section 401(k) cash or deferred arrangement plan (including a SIMPLE 401(k) arrangement)	<b>N</b>	Uncollected Medicare tax on taxable cost of group-term life insurance over \$50,000 (but not Additional Medicare Tax)(former employees only)	<b>Z</b>	Income under a nonqualified deferred compensation plan that fails to satisfy section 409A
<b>E</b>	Elective deferrals under a section 403(b) salary reduction agreement	<b>P</b>	Excludable moving expense reimbursements paid directly to employee	<b>AA</b>	Designated Roth contributions under a section 401(k) plan
<b>F</b>	Elective deferrals under a section 408(k)(6) salary reduction SEP	<b>Q</b>	Nontaxable combat pay	<b>BB</b>	Designated Roth contributions under a section 403(b) plan
<b>G</b>	Elective deferrals and employer contributions (including nonelective deferrals) to a section 457(b) deferred compensation plan	<b>R</b>	Employer contributions to an Archer MSA	<b>CC</b>	HIRE exempt wages and tips (2010 only)
<b>H</b>	Elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan	<b>S</b>	Employee salary reduction contributions under a section 408(p) SIMPLE plan	<b>DD</b>	Cost of employer-sponsored health coverage
<b>J</b>	Nontaxable sick pay	<b>T</b>	Adoption benefits	<b>EE</b>	Designated Roth contributions under a governmental section 457(b) plan

See Box 12—Codes.



### Form W-2 Box 13 Retirement Plan Checkbox Decision Chart

Type of Plan	Conditions	Check Retirement Plan Box?
Defined benefit plan (for example, a traditional pension plan)	Employee qualifies for employer funding into the plan, due to age/years of service – even though the employee may not be vested or ever collect benefits	Yes
Defined contribution plan (for example, a 401(k) or 403(b) plan; a Roth 401(k) or 403(b) account; but not a 457 plan)	Employee is eligible to contribute but does not elect to contribute any money in this tax year	No
Defined contribution plan (for example, a 401(k) or 403(b) plan; a Roth 401(k) or 403(b) account; but not a 457 plan)	Employee is eligible to contribute and elects to contribute money in this tax year	Yes
Defined contribution plan (for example, a 401(k) or 403(b) plan; a Roth 401(k) or 403(b) account; but not a 457 plan)	Employee is eligible to contribute but does not elect to contribute any money in this tax year, but the employer does contribute funds	Yes
Defined contribution plan (for example, a 401(k) or 403(b) plan; a Roth 401(k) or 403(b) account; but not a 457 plan)	Employee contributed in past years but not during the current tax year under report	No (even if the account value grows due to gains in the investments)
Profit sharing plan	Plan includes a grace period after the close of the plan year when profit sharing can be added to the participant's account	Yes

See Box 13—Checkboxes.



## CalSTRS

**California State Teachers' Retirement System** provides retirement, disability and survivor benefits for California's 852,316 pre-kindergarten through community college educators and their families. CalSTRS was established by law in 1913 and is part of the California State and Consumer Services Agency.

**CalSTRS 2% at 60:** First *hired* to a position to perform activities subject to coverage by a DB Program on or before December 31, 2012. An existing member is also someone who may have refunded, reinstated, retired, started as a non-member or elected to have their creditable service covered by another retirement plan, including Social Security.

*Ed Code 22119.2*

**CalSTRS 2% at 62:** First *hired* to a position to perform activities subject to coverage by the DB Program on or after January 1, 2013.

*Ed Code 22119.3*

**Creditable Compensation** *means* compensation paid in cash by an employer to all persons in the same class of employees for performing creditable service in that position; and includes:

- Salary or wages paid in accordance with a publically available written contractual agreement, including, but not limited to, a salary schedule or employment agreement.
- Compensation paid in addition to salary or wages, provided it is paid to all persons in the same class of employees in the same dollar amount or same percentage.
- Compensation paid for employer-approved leave
- Member contributions picked up by an employer, pursuant to *Ed Code 22903 or 22904*

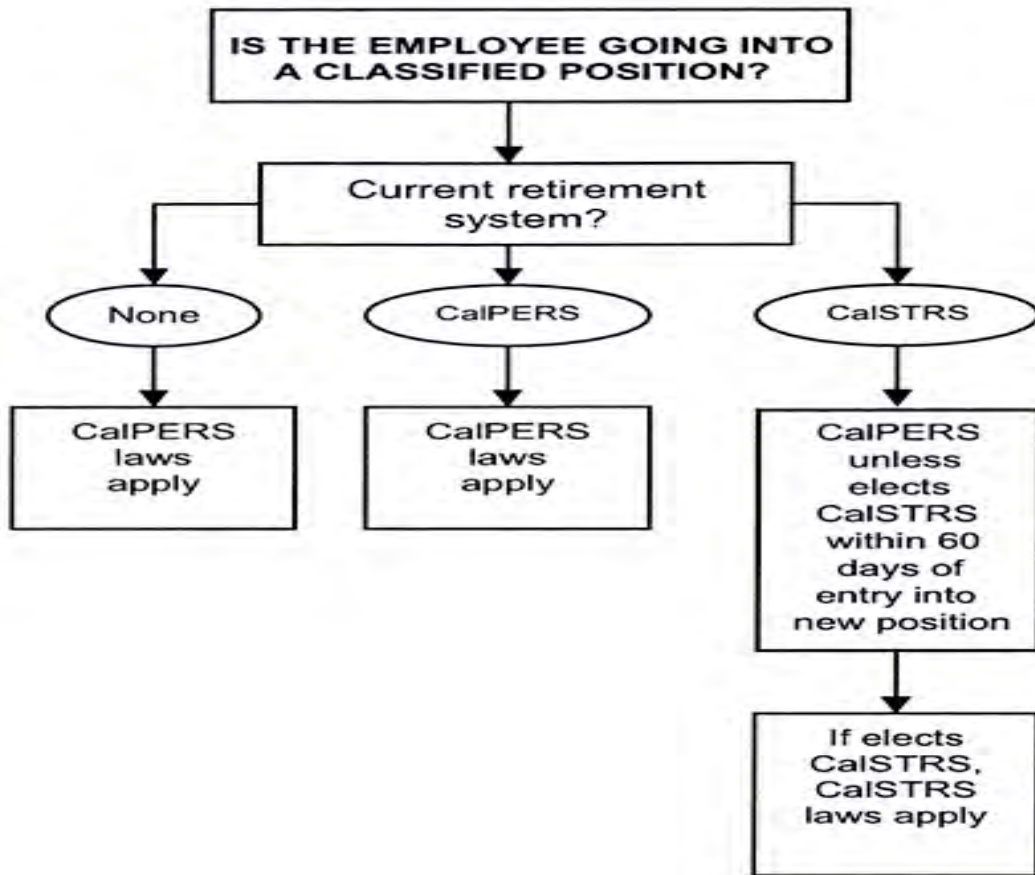
**Defined Benefit:** DB Program is a traditional defined benefit plan that provides retirement, survivor and disability benefits. Your Defined Benefit retirement benefit is based on a formula set by law using your age, service credit, and final compensation.

**Defined Benefit Supplemental Program:** DBS Program is a hybrid cash balance plan for a Defined Benefit member that provides additional savings for retirement. Funds come from compensation earned from service in one school year in excess of one year service credit and limited –term salary increases. From January 1, 2001 through December 31, 2010, funds came from 25% of your monthly CalSTRS contributions.

**CalPERS or CalSTRS**

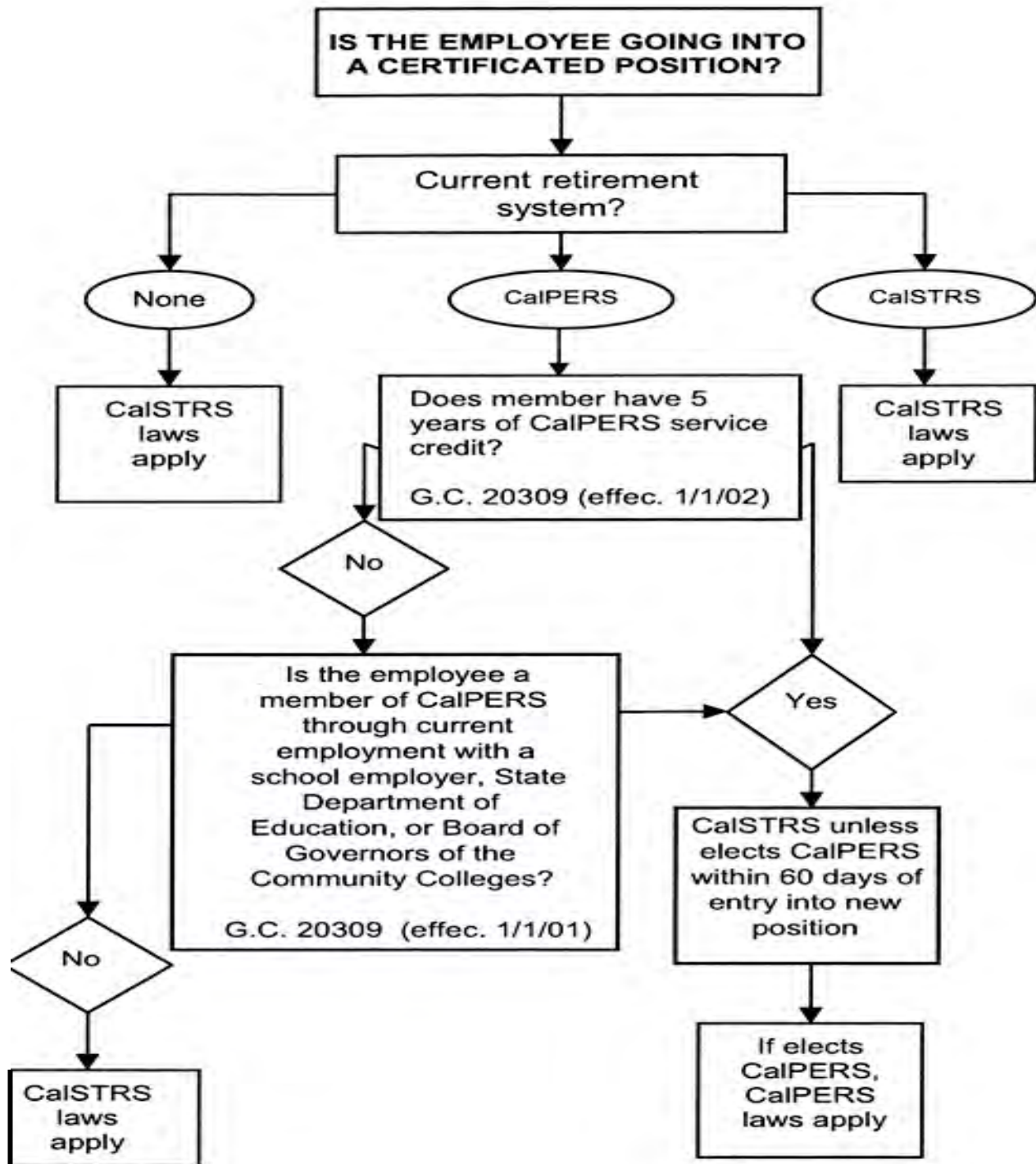
Many times employees change from one job to another and the retirement system chosen may be in question. Please refer to the CalPERS/CalSTRS decision tree below.

**CalPERS/CalSTRS RETIREMENT SYSTEM ELECTION**



4/7/2014







Employers are required to notify employees of their right to elect to stay with their retirement system within 10 days of hire date. Compare and know the difference of each system's default.

- If a CalSTRS member takes a job to *perform QUALIFYING Classified service covered by CalPERS*, the employee has 60 days to submit Form ES 372 electing to have that service reported to CalSTRS. Otherwise the service will be reported to CalPERS by default.
- If a CalPERS member takes a job to *perform QUALIFYING Certificated service covered by CalSTRS*, the employee has 60 days to submit Form ES 372 electing to have that service reported to CalPERS. Otherwise the service will be reported to CalSTRS by default.

#### References:

Employer Directives 2001-07 and 2005-01

Employer Information Circular Volume 25; Issue 11 dated August 5, 2009 for a complete description of Situation, Election, Right and Action (*CalPERS/CalSTRS Decision Tree*)

Publication: *Join CalSTRS? Join CalPERS?* From <https://sew.calstrs.com> From Home Page click on Reference Items, Publications, click on Search and Open to download

Ed Codes 22508,22509,45134,88033

Please fax a copy of this form to STRS (916) 414-5476. Keep a copy for your record

#### **IMPORTANT:**

If a STRS Member takes a classified position that DOES NOT meet the criteria for mandatory membership, then this option DOES NOT apply. Non-Member Classified earnings are NOT reportable i.e. AC-P-C 00-0-0.

If a PERS Member takes a certificated position that DOES NOT meet the criteria for mandatory membership, then this option DOES NOT apply. Non-Member Certificated earnings ARE reported to STRS. See section of AC-P-C codes for STRS Non-Members. However, the employee DOES have the option to elect membership via Permissive Election form ES350 for this certificated position.

**STRS Mandatory Membership Qualification*****Mandatory Membership (Transaction Code 11), Under Pending Ret W4 Screen & REAP***

*The following are circumstances in which an employee qualifies for mandatory membership:*

- **FTE 100% (Account Code 57)** Membership Date is the first day of employment.  
*Ed Code 22501*
- **FTE 50% K-12 (Account Code 57)** Membership Date is the following day of the pay period upon completing 50% of the contract.  
*Ed Code 22502*
- **Substitute Teacher (Account Code 54)** Reached 100 days or 600 hours within a fiscal year & within 1 district. Membership date is the first day of the following pay period in which they reached 100 days or 600 hours.  
*Ed Code 22503*
- **Part-Time or Adult Ed (Account Code 55)** Reached 60 hours or 10 days within 1 pay period & within 1 district. Membership date is the first day of the following pay period in which they reached the 60 hours or 10 days.  
*Ed Code 22504 (a)*
- **However**, full-time or part-time employees at a **Community College** (Account Code 57/58), whose employment is considered *temporary* (no matter how many days/hours are worked) becomes a member on the first day of the pay period following their positions becoming *permanent*.  
*Ed Code 22502, 22504 (b) (d) & 26400 (f)*

**Procedure:**

- Verify current status at <https://sew.calstrs.com>
- From the Home page click on **REAP**, enter Tax ID = SSN, then click *Search*
- If status is “**Person not found**” click on Mass Update, enter Tax ID = SSN, then click search. Add Membership using *Transaction Code 11* from the drop down menu; please complete all boxes with the exception of LAUSD Number. Use employees data from MA screen in QCC
- If status is “**Non-Member**” click on the Update tab, select *Transaction Code 11* from the drop down menu, enter Effective Date
- **Ensure that the MEMBERSHIP DATE coincides with the date that creditable service commenced**
- Log into QCC and open the W4 screen
- Set up employee as a “Member” using the appropriate St-Ded and AC-P-C codes (please refer to that section of the binder for a list of valid codes)
- Set up the employees’ pay line in the PR screen using the same set up as the W4 screen for NML pay
- *If DB Status is “Member” at CalSTRS, then the person is already in membership status and therefore, no action is required*

**STRS Permissive Elective Membership**

***Permissive Membership (Transaction Code 81), under Pending Ret W4 Screen & REAP Form ES 350 or Permissive Election Form as we normally refer to it.***

An employee, whom performs creditable service and is excluded from mandatory membership, may *elect* membership at any time - even if the employee has declined membership in the past. Part-time employees with less than 50% FTE, Substitute and Adult Ed Teachers should receive this form on the date of hire.

*Ed Codes: 22515 & 22455.5*

**Procedure:**

- Verify current status at <https://sew.calstrs.com>
- From Home page click on **REAP**, enter Tax ID = SSN then click *Search*
- If “Electing” membership and status is “**Person not found**” click on Mass Update, enter Tax ID = SSN, then click search. Add Membership using *Transaction Code 81* from the drop down menu; please complete all boxes with the exception of LAUSD Number. Use employees date from MA screen QCC
- If “Electing” membership and status is “**Non-Member**” click on the Update tab, select *Transaction Code 81* from the drop down menu, enter Effective Date
- **Ensure that the MEMBERSHIP DATE coincides with the date that creditable service commenced**
- Fax this form to STRS (916) 414-5476 & keep a copy for your records, do not forward to COE
- Then log into QCC and open the W4 screen
- Set up employee as a “Member” using the appropriate St-Ded and AC-P-C codes (please refer to that section of the binder for a list of valid codes)
- Set up employees’ pay line in the PR screen using the same set up as the W4 screen for NML pay
- *If Electing membership and DB Status is already “Member” at CalSTRS, then just please keep a copy of the form for your records do not forward to the COE or STRS.*

**STRS Non-Member*****Non-Member (Transaction Code 02) Under Pending Ret W4 Screen & REAP***

An employee who performs creditable service and does not qualify for Mandatory Membership and does not Elect Membership ***MUST still be reported to CalSTRS as Non-Member status.***

**Procedure:**

- Verify current status at <https://sew.calstrs.com>
- From Home page click on **REAP**, enter Tax ID = SSN then click *Search*
- If “Declining” membership and status is “**Person not found**” click on Mass Update, enter Tax ID = SSN, then click search. Add Non-Member using *Transaction Code 02* from the drop down menu; please complete all boxes with the exception of LAUSD Number. Use employees data from MA screen QCC
- **Ensure that the NON-MEMBER DATE coincides with the date that creditable service commenced**
- Keep the form for your records; do not forward to COE or to STRS
- Then log into QCC and open the W4 screen
- Set up employee as a “Non-Member” using the appropriate St-Ded and AC-P-C codes (please refer to that section of the binder for a list of valid codes)
- Set up employee in PR screen as well using the same set up as the W4 screen
- *If declining membership and DB Status is already “Non-Member” or “Refund”, please keep this form for your records. Do not forward it to the COE or STRS.*

**Other Transaction Codes under Pending Ret W4 Screen & REAP:**

- Name Change, as it appears on the SSN card: **Transaction Code 50** on REAP
- DOB or Gender Change: **Transaction Code 51** on REAP

**STRS Membership Codes for W4 Screen****Primary RS: District Determines depending on eligibility**

- 01 = STRS Member
- 03 = STRS Retiree
- 05 = STRS Non-Member

**SMF Status: STRS Match File, This field gets updated automatically on a Daily Basis**

- 01 = Member
- 02 = Non-Member
- 07 = Refunded = Non-Member
- 21 = Retired (SR)
- 42 – Disabled Retired (DR)

**Pending Ret: Pending Retirement, Transaction Codes in REAP**

- 11 = Mandatory Member
- 81 = Permissive Election ES350
- 02 = Non-Member
- 50 = Name Change
- 51 = DOB or Gender Change
- 61 = Retired

**STRS Contribution Rate**

- Employee 8% for Classic and PEPRA,
- However member rate for CalSTRS 2% at 62 may change in the future
- Employer 8.25%
- RWP Employer rate changes every fiscal year

**Reference:**

Ed Codes 22901, 22950, 22951  
Government Code 7522.30

**STRS St-Ded's for W4 and PR Screen****TFNSR – STRS Non-Member RS: 05**

**T:** State & Federal  
**F:** Social Security & Medicare  
**N:** No SDI  
**SR:** STRS Report Only, No Contributions

**TMNS – STRS Member RS: 01**

**T:** State & Federal  
**M:** Medicare  
**N:** No SDI  
**S:** STRS Contributions

**TMNSR – STRS Retiree RS: 03**

**T:** State & Federal  
**M:** Medicare  
**N:** No SDI  
**SR:** STRS Report Only, No Contributions

**TMNN or TFNN – Non Reportable**

*Used for Specific Circumstances:*

- Vacation Pay Off
- Retirement Incentives Paid AFTER Retirement
- Classified Position that does NOT Qualify for Retirement

**TMNSRW – STRS Member RS: 01**

**T:** State & Federal  
**M:** Medicare  
**N:** No SDI  
**SRW:** STRS Contributions are based on Ret. Base instead of Earnings  
 Employer Rate changes every fiscal year.

*Districts that offer Alternative Retirement Plans for **Non-members** please use: PAR, ING or APP as your 4<sup>th</sup> thru 6<sup>th</sup> character option for St-Ded. These Plans require 8XXX Vol-Ded's.*



**STRS AC-P-C Codes for W4 and PR screens****AC = Assignment Code**

- 36 = Reduced Workload Program, **Board & STRS Approval Required (RWP)**
- 44 = Substitute *Year Round School ONLY*
- 45 = Part-Time, Hourly/Daily Rate or Adult Ed *Year Round School ONLY*
- 46 = Sabbatical *Year Round School ONLY*
- 47 = Full or Part-Time Contract *Year Round School ONLY*
- 54 = Substitute
- 55 = Part-Time Hourly/Daily or Adult Ed
- 56 = Sabbatical
- 57 = Full or Part Time Contract
- 58 = Hourly/Part-Time **Community College ONLY**
- 61 = Retired Teacher
- 62 = Exchange/Sojourn Teacher **Must have a contract with foreign Country's COE**
- 71 = Defined Benefit Supplemental (DBS)
- 72 = Defined Benefit Supplemental (DBS) for **New Members** under Pension Reform

**P = Pay Code**

- 0 = Annual Member or Special Compensation
- 1 = Twelve Month Contract
- 2 = Eleven Month Contract
- 3 = Ten Month Contract
- 4 = Hourly Rate **Non-Member or Retiree**
- 8 = Daily Rate **Non-Member or Retiree**

**C = Contribution Code**

- 0 = No Contributions: **Non-Member or Retiree**
- 1 = Current: **Member Contributions**
- 3 = Arrears: Prior Period EARNINGS Adjustment, *DOES Generate Service Credit*
- 5 = Retro: Ret. Base/Pay Rate Change, *Does NOT Generate Service Credit*
- 6 = Special Compensation (SPC): **Member, Non-member or Retiree**



**STRS Guide to AC-P-C Codes for Members****Members “Year Round School” RS: 01 & St-Ded: TMNS**

	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base/Pay Rate</u>
10 Month Contract	47-3-1	47-3-3	47-3-5	Monthly
11 Month Contract	47-2-1	47-2-3	47-2-5	Monthly
12 Month Contract	47-1-1	47-1-3	47-1-5	Monthly
SPC/DB Classic	47-0-6	47-0-6	47-0-6	<b>Rate = Ret. Base Always</b>
Substitutes	44-0-1	44-0-3	44-0-5	Annual
Part-Time/Adult Ed	45-0-1	45-0-3	45-0-5	Annual
SPC/DBS Classic	71-0-6	71-0-6	71-0-6	<b>Rate = Ret. Base Always</b>
SPC/DBS New Member	72-0-6	72-0-6	72-0-6	<b>Rate = Ret. Base Always</b>

**Members “Conventional School” RS: 01 & St-Ded: TMNS**

	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base/Pay Rate</u>
10 Month Contract	57-3-1	57-3-3	57-3-5	Monthly
11 Month Contract	57-2-1	57-2-3	57-2-5	Monthly
12 Month Contract	57-1-1	57-1-3	57-1-5	Monthly
SPC/DB Classic	57-0-6	57-0-6	57-0-6	<b>Rate = Ret. Base Always</b>
Substitutes	54-0-1	54-0-3	54-0-5	Annual
Part-Time/Adult Ed	55-0-1	55-0-3	55-0-5	Annual
SPC/DBS Classic	71-0-6	71-0-6	71-0-6	<b>Rate = Ret. Base Always</b>
SPC/DBS New Member	72-0-6	72-0-6	72-0-6	<b>Rate = Ret. Base Always</b>

**Members on “Reduced Workload Program” RS: 01 & St-Ded: TMNSRW**

	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base/Pay Rate</u>
10 Month Contract	36-3-1	36-3-3	36-0-5	Monthly
11 Month Contract	36-2-1	36-2-3	36-0-5	Monthly
12 Month Contract	36-1-1	36-1-3	36-0-5	Monthly
SPC/DB Classic	36-0-6	36-0-6	36-0-6	<b>Rate = Ret. Base</b>

**Please note:** RWP requires Board and STRS approval.

**Reference:** EIC Vol. 26 Issue 3 and Vol.27 Issue 3, Employer Direct 2013-03, Ed Code 22713



## STRS Guide to AC-P-C Codes for Community Colleges

**Members “Community College” RS: 01 & St-Ded: TMNS**

	<b><u>CURRENT</u></b>	<b><u>ARREARS</u></b>	<b><u>RETRO</u></b>	<b><u>Ret. Base/Pay Rate</u></b>
10 Month Contract	57-3-1	57-3-3	57-3-5	Monthly
11 Month Contract	57-2-1	57-2-3	57-2-5	Monthly
12 Month Contract	57-1-1	57-1-3	57-1-5	Monthly
SPC/DB Classic	57-0-6	57-0-6	57-0-6	<b>Rate = Ret. Base Always</b>
Substitutes	54-0-1	54-0-3	54-0-5	Annual
<b>Part-Time Faculty</b>	58-0-1	58-0-3	58-0-5	Annual
SPC/DBS Classic	71-0-6	71-0-6	71-0-6	<b>Rate = Ret. Base Always</b>
SPC/DBS New Member	72-0-6	72-0-6	72-0-6	<b>Rate = Ret. Base Always</b>

*Community College ONLY - please remember to use Classification Codes and Base Hours for **Part-Time Faculty Members**, reference EIC09-1 Volume 25 Issue 8: Reporting Requirements for Community Colleges.*

<b><u>Classification Code</u></b>	<b><u>Base Hours (minimum)</u></b>
01 – Lab Instructor	525
02 – Lecturer /General Instructor	525
03 – Adult Education Instructor	875
04 – Librarian	1050
05 – Counselor	1050

**Reference:**

*EIC10-1 Vol. 25 Issue 12: Community College Reporting to the Defined Benefit Program for Part-time Faculty & Employer Directive 2009-03 Community College Reporting Assignment Codes.*

**Non-Members “Community College” RS: 05**

	<b><u>CURRENT</u></b>	<b><u>ARREARS</u></b>	<b><u>RETRO</u></b>	<b><u>Ret. Base/Pay Rate</u></b>
10 Month Contract	57-3-0	57-3-3	57-3-5	Monthly
11 Month Contract	57-2-0	57-2-3	57-2-5	Monthly
12 Month Contract	57-1-0	57-1-3	57-1-5	Monthly
SPC	57-0-6	57-0-6	57-0-6	<b>Rate = Ret. Base Always</b>
Substitutes	54-4-0	54-4-3	54-4-5	Hourly
Substitutes	54-8-0	54-8-3	54-8-5	Daily
<b>Part-Time Faculty</b>	58-4-0	58-4-3	58-4-5	Hourly
<b>Part-Time Faculty</b>	58-8-0	58-8-3	58-8-5	Daily

*Districts that offer Alternative Retirement Plans for Non-Members please use: PAR, ING or APP as your 4<sup>th</sup> thru 6<sup>th</sup> character option for St-Ded. These Plans require 8XXX Vol-Ded.*



**STRS Guide to AC-P-C Codes for Non-Members****Non-Members “Year Round School” RS: 05 & St-Ded: TFNSR**

	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base/Pay Rate</u>
10 Month Contract	47-3-0	47-3-3	47-3-5	Monthly
11 Month Contract	47-2-0	47-2-3	47-2-5	Monthly
12 Month Contract	47-1-0	47-1-3	47-1-5	Monthly
SPC	47-0-6	47-0-6	47-0-6	<b>Rate = Ret. Base Always</b>
Substitute	44-4-0	44-4-3	44-4-5	Hourly
Substitute	44-8-0	44-8-3	44-8-5	Daily
Part-Time/Adult Ed	45-4-0	45-4-3	45-4-5	Hourly
Part-Time/Adult Ed	45-8-0	45-8-3	45-8-5	Daily

**Non-Members “Conventional School” RS: 05 & St-Ded: TFNSR**

	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base/Pay Rate</u>
10 Month Contract	57-3-0	57-3-3	57-3-5	Monthly
11 Month Contract	57-2-0	57-2-3	57-2-5	Monthly
12 Month Contract	57-1-0	57-1-3	57-1-5	Monthly
SPC	57-0-6	57-0-6	57-0-6	<b>Rate = Ret. Base Always</b>
Substitute	54-4-0	54-4-3	54-4-5	Hourly
Substitute	54-8-0	54-8-3	54-8-5	Daily
Part-Time/Adult Ed	55-4-0	55-4-3	55-4-5	Hourly
Part-Time/Adult Ed	55-8-0	55-8-3	55-8-5	Daily

*Districts that offer Alternative Retirement Plans for Non-Members please use: PAR, ING or APP as your 4<sup>th</sup> thru 6<sup>th</sup> character option for St-Ded. These Plans require 8XXX Vol-Ded.*

**STRS Guide to AC-P-C Codes for Exchange/Sojourn****Non-Members Exchange/Sojourn RS: 05**

	<b><u>CURRENT</u></b>	<b><u>ARREARS</u></b>	<b><u>RETRO</u></b>	<b><u>Ret. Base/Pay Rate</u></b>
10 Month Contract	62-3-0	62-3-3	62-3-5	Monthly
11 Month Contract	62-2-0	62-2-3	62-2-5	Monthly
12 Month Contract	62-1-0	62-1-3	62-1-5	Monthly
SPC	62-0-6	62-0-6	62-0-6	<b><i>Rate = Ret. Base Always</i></b>
Substitute	62-4-0	62-4-3	62-4-5	Hourly
Substitute	62-8-0	62-8-3	62-8-5	Daily
Part-Time/Adult Ed	62-4-0	62-4-3	62-4-5	Hourly
Part-Time/Adult Ed	62-8-0	62-8-3	62-8-5	Daily

**Reference:**

Ed Code 22601 and CalSTRS Employer Information Circular Volume 23; Issue 13



### STRS Guide to AC-P-C Codes for Retiree's

#### Retired RS: 03 & St-Ded: TMNSR

	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base/Pay Rate</u>
10 Month Contract	61-3-0	61-3-3	61-3-5	Monthly
11 Month Contract	61-2-0	61-2-3	61-2-5	Monthly
12 Month Contract	61-1-0	61-1-3	61-1-5	Monthly
SPC	61-0-6	61-0-6	61-0-6	<b>Rate = Ret. Base Always</b>
Substitutes	61-4-0	61-4-3	61-4-5	Hourly
Substitutes	61-8-0	61-8-3	61-8-5	Daily
Part-Time/Adult Ed	61-4-0	61-4-3	61-4-5	Hourly
Part-Time/Adult Ed	61-8-0	61-8-3	61-8-5	Daily

#### **Notification and Reporting of Post-Retirement Earnings by Employer:**

Section 22461 requires employers to notify retired CalSTRS members of the earnings limit and report earnings to CalSTRS each month. All post retirement earnings must be reported with Member Code 2 and Assignment Code 61.

**STRS Coding for Various Compensation Types**

**STRS Stipend for Special Comp WITH Release Time:**

**WITH Release Time** is when the teacher is excused from their normal assignment to perform additional duties (during normal school hours).

These stipends do not generate service credit; however they do remain in the DB account and are factored into the members’ final compensation at the time of retirement.

**AC-P-C code for these Stipends include:**

For Members 2% at 60 Report as **57-0-6**, this will post directly to **DB**

- Department Chair
- Yearbook editor

PR Screen Pay Line Sample: **Rate = Ret. Base**



D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC	SCT
▼	156.42	1.00	L ▼	P ▼	156.42	SPC ▼	TMNS ▼			156.42	57	0	6		
▼	0.00	0.00	▼	▼	0.00	SPC ▼	▼			0.00	57	0	6		
Name		Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid					
		E10R07 ▼	0.00	1		__/__/__	__/__/__		0.00 / 00	938.51					

**IMPORTANT:**

When a member’s CC6 lines total exceeds \$15,000.00 the system will flag with edit code MO B109. These lines will need to be approved by the employer. STRS will request documentation to support validity of CC6.



**STRS Stipends for Additional Duties WITHOUT Release Time:**

**WITHOUT Release Time** is when the teacher performs duties outside of their normal work hours (before or after school).

Additional Duties do generate service credit; anything in excess of a 1.000 service credit gets automatically transferred to the DBS account at the end of the fiscal year.

**AC-P-C code 55-0-1 Additional Duties include but are not limited to:**

- Teaching an extra period
- Coaching/Activity
- Attending Trainings
- Summer school
- Noon duty supervision by certificated staff
- Preparing for a class or workshop
- Professional Development
- Science fair coordinator
- Camps/clinics
- Music/band director

**Non Time-Based** stipends are NOT based on hours or days. These are lump-sum payments:

- Pay Rate for same employer – use annualized contract
- Pay Rate for different employer – use annualized median salary

**Time-Based** stipends are based on certain numbers of days or hours required to do an additional assignment.

- Pay Rate = annualized contract or annualized hourly/daily rate



PR Screen Pay Line Sample: **Ret. Base is annual**

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC	SCT																				
▼	1,556.00	0.00	LZ ▼	▼	0.00	CCH ▼	TMNS ▼			70,023.00	55	0	1																						
▼	0.00	0.00	▼	▼	0.00	CCH ▼	▼			0.00	55	0	1																						
<table border="1"> <thead> <tr> <th>Name</th> <th>Pay Schd</th> <th>HR/DAY</th> <th>S</th> <th>B</th> <th>Start</th> <th>End</th> <th>User</th> <th>Annual Contract</th> <th>FTD Paid</th> </tr> </thead> <tbody> <tr> <td></td> <td>E10R07 ▼</td> <td>0.00</td> <td>1</td> <td></td> <td>__/__/__</td> <td>__/__/__</td> <td></td> <td>0.00 / 00</td> <td>1,556.00</td> </tr> </tbody> </table>																Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid		E10R07 ▼	0.00	1		__/__/__	__/__/__		0.00 / 00	1,556.00
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid																										
	E10R07 ▼	0.00	1		__/__/__	__/__/__		0.00 / 00	1,556.00																										



**STRS Stipends:**

Please keep in mind that reporting these stipends and/or bonuses incorrectly has a significant impact on the member’s final compensation. As a result, a retired member will be overpaid in service retirement benefit from the retirement date to the date the corrections are made by the employer.

**IMPORTANT:**

This is one of the most common Employer Audit Findings by STRS.

**AC-P-C codes for Stipends include:**

For Members 2% at 60 Report as **71-0-6**, this will post directly to **DBS**

- Retirement Incentives
- Retention Bonus
- Recruitment/Signing Bonus (*Paid after service is performed*)
- Off the Salary Schedule Payment
- Twenty years of service
- Bilingual certification

PR Screen Pay Line Sample: **Rate = Ret. Base**



D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC	SCT
▼	1,000.00	0.00	I Z ▼	▼	0.00	DBS ▼	TMNS ▼			1,000.00	71	0	6		
▼	0.00	0.00	▼	▼	0.00	DBS ▼	▼			0.00	71	0	6		
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid						
	E10B07 ▼	0.00	1		__/__/__	__/__/__		0.00 / 00	0.00						



**STRS Bonus:**

Relates to performance of creditable service and must be available to all in the same class of employees.

**STRS Allowances:**

Employee is not required to provide documentation and has total discretion over expenditure of allowance.

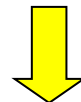
These Bonus and Allowances remain in the members DB account and are factored into the member’s final compensation.

**AC-P-C codes for Bonuses, Allowances include:**

For Members 2% at 60 Report as **57-0-6**, this will post directly to **DB**

- Car allowance (TRV)
- Cell Phone Allowance
- Parcel Tax
- Teacher-In-Charge
- Class Size Overload K-12
- Lottery bonus distribution
- Governor’s Performance Award bonus paid to certificated teacher
- Credential Bonus

PR Screen Pay Line Sample: **Rate = Ret. Base**



D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC	SCT
▼	500.00	0.00	LZ ▼	▼	0.00	CRED ▼	TMNS ▼			500.00	57	0	6		
▼	0.00	0.00	▼	▼	0.00	CRED ▼	▼			0.00	57	0	6		
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid						
	E10B07 ▼	0.00	1		__/__/__	__/__/__		0.00 / 00	0.00						

**IMPORTANT:**

When a member’s CC6 lines total exceeds \$15,000.00 the system will flag with edit code MO B109. These lines will need to be approved by the employer. STRS will request documentation to support validity of CC6.

CalSTRS is currently working on a new Employers’ Creditable Compensation Guide with more details on compensation scenarios and how to report.

**Creditable Compensation NOT reportable to CalSTRS****For Both 2% at 60 and 2% at 62:**

- Compensation not paid in cash to all persons in the same class and compensation paid for service that is not creditable.
- Compensation that is paid in addition to salary or wages, if it is not paid to all persons in the same class and in the same dollar amount or percentage.
- Compensation paid in exchange for the relinquishment of unused accumulated leave.
- Payments made by an employer, include but not limited to, for participation in a deferred compensation plan; to purchase an annuity contract, tax-deferred retirement plan or insurance program; and contributions to a plan that meets the requirements of Section 125, 401(a), 401(k), 403(b), or 457(f) of Title 26 of the United States Code.
- Fringe Benefits, expenses paid or reimbursed by an employer.
- Severance pay, including lump-sum and installment payments, or money paid in excess of salary or wages to a member as compensatory damages or as a compromise settlement.
- Any other payments determined to not be “creditable compensation”.

**Additional exclusions for 2% at 62:**

- Compensation not paid each pay period in which creditable is performed for that position.
- Payments determined to have been made to enhance a member’s contribution benefit.
- Cash in-lieu of receiving a benefit. One-time or ad hoc payments.
- An employer-provided allowance, reimbursement or payment, including, but not limited to, one made for housing, vehicle, uniform or a bonus.

**Reference:** Employer Directive 2014-01 Release on March 14, 2014

**Converting Hourly/Daily Rates to Annual FTE**

Once a Non-Member mandatorily qualifies or permissively elects then you must report the Ret. Base/Pay Rate as Full Time Equivalent (FTE)

Ed Code: 22138.6, 22503, 22504

**When to Annualize Ret. Base/Pay Rate**

- STRS Members working in substitute daily or hourly positions
- STRS Members working in part-time daily or hourly positions
- STRS Members working in adult education hourly positions

**Converting Daily Rate to Annual:**

Daily Pay Rate	X	# of Base Days	= Annual Pay Rate	Pay Code
125.00	X	185	= \$23,125.00	0

**This formula applies to AC-P-C codes:**

- 54-0-1 Subs
  - 55-0-1 Part-Time or Adult ED
  - 58-0-1 Community College
- Please use the number of days or hours that pertain to your district and the employee’s assignment.
- Please use the appropriate Pay Type that best applies to the rate and assignment.

**PR Screen Pay Line Sample: Ret. Base is annualized**

FTE	M	Adj	Hr Rt	Base Pay	Base Ret	O	Mo/Yr	Da/Yr	Hr/Day	Wor			
0.0000 /	<input type="checkbox"/>	0.00	0.00	125.00	23,125.00	<input type="checkbox"/>	0.00	0.00	0.00	00			
Job Code			Work Loc										
110101			K-8 SUBSTITUTE TEACHER										
Bonus 2	Bonus 3	Bonus 4	Bonus 5	Bonus 6	Bonus 7	Bonus 8	Bonus 9	Bonus 10					
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>					
D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C
<input type="text"/>	125.00	0.00	D	U	0.00	DLY	TMNS	<input type="text"/>	<input type="text"/>	23,125.00	54	0	1



**Converting Hourly Rate to Annual:**

Hourly		# of		# of		Annual		Pay
Pay Rate	X	Base Hours	X	Base Days	=	Pay Rate		Code
20.00	X	7	X	185	=	\$25,900.00		0

**This formula applies to AC-P-C Codes:**

- 54-0-1 Subs
  - 55-0-1 Part-Time or Adult ED
  - 58-0-1 Community College
- Please use the number of days or hours that pertain to your district and the employee’s assignment.
  - Please use the appropriate Pay Type that corresponds to the rate.
  - Prior to annualizing hourly rates for Adult Ed, please verify whether the employee is working a 10, 11 or 12 month assignment/position and then annualize accordingly.
  - Please use the appropriate Pay Type that best applies to the rate and assignment.

**PR Screen Pay Line Sample: Ret. Base is annualized**

Job Code		Work Loc												
160988 ADULT ED TEACHER-1760 HOURS/YR		0093												
Bonus 2	Bonus 3	Bonus 4	Bonus 5	Bonus 6	Bonus 7	Bonus 8	Bonus 9	Bonus 10	T					
▼	▼	▼	▼	▼	▼	▼	▼	▼	0					
D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC
▼	34.40	0.00	H	U	0.00	NML	TMNS			60,544.00	55	0	1	
▼	0.00	0.00	▼	▼	0.00	NML	▼			0.00	55	0	1	

**When to Issue a RETRO**

When an employees’ Ret. Base/Pay Rate changes due to:

- An approved and ratified collective bargaining agreement between School District Boards and Collective Bargaining Units
- A change in Step and Column

**Example:** A 10 month employee is receiving a 5% pay increase in January 2014 that Retro’s from September 2013 to December 2013

$$\frac{\text{New Rate} - \text{Old Rate}}{\text{RET Amount X \# of Months}} = \text{RET Amount to be issued}$$

$$5,730.00 - 5,491.25 = 238.75 \quad \text{X 4 months} = 955.00 \text{ Retro Amount}$$

AC-P-C code 57-3-5 with the **NEW Ret. Base/Pay Rate**

**IMPORTANT:**

- Date should always cover the pay period for which the retro is being issued.
- Please keep in mind your late/change/term contracts and add the date accordingly.
- Confirm that Pay Schedule corresponds to Pay Code. e.g. E10B07 with Pay Code 3 for 10 month contract

PR Screen Pay Line Sample: **Ret. Base includes increase and it’s at 100% FTE**

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C
	955.00	0.00	LZ	P	0.00	RET	TMNS			5,730.00	57	3	5
Adjustment >	0.00	0.00			0.00	RET	TMNS			0.00	57	3	5
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid				
	E10B07	0.00	1		09/01/2013	12/31/2013		0.00 / 00	1,250.00				

Calculation Sample:

Pay	Rate			RETRO	Service Period
NEW	OLD	EARNINGS	FTE		
5,730.00	5,491.25	5,491.25	.100	238.75	SEPT
5,730.00	5,491.25	5,491.25	.100	238.75	OCT
5,730.00	5,491.25	5,491.25	.100	238.75	NOV
5,730.00	5,491.25	5,491.25	.100	238.75	DEC
<b>Total Retro</b>			<b>Amount</b>	<b>955.00</b>	



### QCC Retro Module

QCC has the ability to create Retro Pay Lines through the Retro Module. Districts need to carefully define the criteria required in order to load RET pay lines as accurately as possible. The criteria should be run separately by group of employees.

For Example:	12 month	11 month	10 month
Bargaining Unit:	01	01	01
Employee Type:	01	01	01
Pay Code:	01	01	01
Pay Type:	NML	NML	NML
Pay Schedules:	EOMREG	E11XXX	E10XXX

#### Define:

Bargaining Unit: Group of employees receiving retro

Employee Type: 01 Certificated, 02 Classified

Pay Code: 01 = 12 month, 02 = 11 month, 03 = 10 month

Pay Type: NML for Normal Pay

Pay Schedule: Deferred Pay (**R**) and Benefits (**B**), **06** off June-July and **07** off July-August

Once the criteria has been defined, run a PRT300 (Retroactive Payroll Analysis Report) and verify all data to ensure the desired outcome is met.

If District decides to use the Retro module, they will need to contact the TSB Department and create a Service Request to set-up the retro pay lines. Contact DBAS to assist with criteria.

Running your RET pay line through this process ensures minimal errors on your Retro lines.



Job Title	JCL Name
Request Payroll Prelists	PAYSUB.PAYSUB
Request Non-Pay Benefit Prelists	BENSUB.BENSUB
Request Retro-Pay Analysis Report (PRT300) (STD/ENH)	PRT300.PRTSUB

Report Selections SSN/Account Selections File Selections

For District: 92 - SANTA CLARA CNTY O

Source Year: 14

Position Number Range: 000000 - 999999

Include Terminated Employees:  Include Start/End:

Include Cancelled Warrants:  Include Payroll:

Bargaining Unit:

Employee Type:

Pay Code:

Pay Type:

Pay Schedules:

Sta Ded Profiles:

Report Selections SSN/Account Selections File Selections Payroll Selections

History From:  to

Files:

Report Selections SSN/Account Selections File Selections Payroll Selections

Report Title:

Retro Percent 1:  Sign: +

Retro Percent 2:  Sign: +

Include Employee Totals:  Page Break on Employee:

Build Pay Line Files:  (Will use Retro Percent 1)

Target Year: 14 Pay Type: RET

Pay Schedule:  Stat Ded Profile for PERS:

Starting Payroll Number:  Ending Payroll Number:

**When to Issue an ARREARS**

When an employee is receiving an earnings adjustment previous to current month payroll:

- It does generate service credit and there is no change in Ret. Base/Pay Rate
- Should always be reported with a contribution code 3

**Example:** Processing February 2014 EOM payroll and an employee’s start date is January 24, 2014. Payroll was scheduled to close the same day. This employee is working as an 11 month 100% FTE with a Ret Base of: 8,723.45. The Arrears amount owed to the employee for the month of January 2014 is 2,273.85. This is a late start contract adjustment.

AC-P-C code: 57-2-3 **Ret Base does NOT change**

**IMPORTANT:**

- Date should always cover the pay period for which the arrears are being issued.
- Please keep in mind your late/change/term contract and add the date accordingly.
- Confirm that Pay Schedule corresponds to Pay Code. e.g. E11B07 with Pay Code 2 for 11 month contract

PR Screen Pay Line Sample: **Ret. Base should always reflect 100% FTE**

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C
▼	2,273.85	0.00	LZ ▼	P ▼	0.00	ARR ▼	TMNS ▼			8,723.45	57	2	3
▼	0.00	0.00	▼	▼	0.00	ARR ▼	TMNS ▼			0.00	57	2	3
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract		FTD Paid			
	E11B07 ▼	0.00	1		01/24/2014 ▼	01/31/2014 ▼		0.00 / 00		1,250.00			

**IMPORTANT:**

California Education Code section 45048 (c) states that if salary payment is not made timely as required by this section, the amount of the salary payment due shall be increased by the amount of interest on the unpaid amount for each day of delay. Please refer to all section of Ed Code 45048 for all explanations.



**STRS Common Errors**

- Not using the same Ret. Base/Pay Rate as the original pay line when making negative adjustments to prior period earnings
- When doing negative earnings adjustment, the negative amount should not exceed what was originally issued
- Incorrect Date range on Retro or Arrears pay lines *or* leaving the date range blank
- Using Retro code 5 for Arrears payment code 3 or vice-versa
- Using incorrect Ret. Base/Pay Rate on retro *and* combining different Pay Rates into one retro pay line
- Using the earnings as the Ret. Base/Pay Rate on positions that are not 100% FTE. Ret Base must always be at 100% FTE
- Not using the same Ret. Base/Pay Rate *and* Rate/Earnings for special compensation
- The Ret. Base/Pay Rate and Pay Code not corresponding, they should always relate:
  - 12 Month Contract Rate = PC 1      Hourly Rate = PC 4
  - 11 Month Contract Rate = PC 2      Annual Rate = PC 0
  - 10 Month Contract Rate = PC 3      Daily Rate = PC 8
- The Pay Type and Contribution Code not corresponding, they should always relate:
  - ARR = CC 3                              RET = CC 5



**Common Error:** Retro reported to PERS instead of STRS, this error occurred because this is a classified employee that elected to remain as a STRS member.

**Error Resolution**

**Step 1:** Back out pay line that was reported to PERS in error, using the same setup as originally reported

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC	SCT
	-581.10	1.00	LZ		-581.10	RET	TFSPT			2,743.00	08	1	5		
Adjustment	0.00	0.00			0.00	RET				0.00	08	1	5		

**Step 2:** Report it to STRS

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC	SCT
	581.10	1.00	LZ		581.10	RET	TMNS			2,743.00	57	3	5		
Adjustment	0.00	0.00			0.00	RET				0.00	57	3	5		

**Step 3:** Refund OASDI & SDI taken from St-Ded of TFSPT, STRS members do not pay OASDI or SDI

Ln	DS	Code	Code Name	Plan	Employee	Employer	T	RL	B	F	S	vb	Minimum	Maximum	Balance	Limit
1	01	8310	ADD OASDI		-25.77	-25.77							0.00	0.00	0.00	0.00
2	01	8900	EXCESS STATE DISABILITY INS		1.65	0.00							0.00	0.00	0.00	0.00
Total Employee Deductions					-24.12	Total Employer Deductions					-25.77					



CTD Totals From Payroll History

History for: <input type="text"/>	CTD Amount
KIM R - 000000	
Gross	\$4,340.76
Net Pay	\$3,310.39
Other Non-Tx Gross	\$531.69
Imputed Gross	\$0.00
TSA	\$0.00
Federal Tax	\$0.00
State Tax	\$0.00
OASDI	→ \$25.77
Medicare	\$55.23
SDI	→ \$4.16

Before  
Correction

History for: <input type="text"/>	CTD Amount
R - 000000	
Gross	\$4,340.76
Net Pay	\$3,334.51
Other Non-Tx Gross	\$531.69
Imputed Gross	\$0.00
TSA	\$0.00
Federal Tax	\$0.00
State Tax	\$0.00
OASDI	→ \$0.00
Medicare	\$55.23
SDI	→ \$0.00

After  
Correction

**Common Error:** Not reporting a change of contract properly, Term and Late Start Contracts should be paid on separate pay lines with corresponding AC-P-C codes, Ret. Base/Pay Rate & Pay Schedule.

**PR Screen Pay Line: Terminated 10 month Contract for Teacher Position**

1/2 - SUM	2/3 - SPC	3/4 - SPC	4/6 - HR	5/7 - MISC	6/8 - MISC	7/9 - NML	8/10 - NML	9/1 - NML*						
Placement		FTE	M	Adj	Hr Rt	Base Pay	Base Ret	O	Mo/Yr	Da/Yr	Hr/Day	Work Ca		
		1.0000		<input type="checkbox"/>	0.00	0.00	6,939.60	6,939.60	<input type="checkbox"/>	0.00	0.00			
Pos Code		Job Code			Work Loc									
		110050 TEACHER GRADE 5			0003 MARTIN H. FARNHAM									
Bonus 1	Bonus 2	Bonus 3	Bonus 4	Bonus 5	Bonus 6	Bonus 7	Bonus 8	Bonus 9	Bonus 10	T				
010000										1				
Pay:	150.00													
Ret:	150.00													
D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC
	7,089.60	1.00	L	P	7,089.60	NML	TMNS			7,089.60	57	3	1	
Adjustment >	-	191.61	1.00	L	P	-191.61	NML			7,089.60	57	3	1	
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid					
	E10R07	0.00	1		/ / /	/ / /		0.00 / 00	42,537.60					

**PR Screen Pay Line: Late Start 12 month Contract for Vice Principal Position**

1/2 - SUM	2/3 - SPC	3/4 - SPC	4/6 - HR	5/7 - MISC	6/8 - MISC	7/9 - NML	8/10 - NML	9/1 - NML*						
Placement		FTE	M	Adj	Hr Rt	Base Pay	Base Ret	O	Mo/Yr	Da/Yr	Hr/Day	Work Ca		
		1.0000		<input type="checkbox"/>	0.00	0.00	8,719.08	8,719.08	<input type="checkbox"/>	0.00	0.00			
Pos Code		Job Code			Work Loc									
		103020 VICE PRINCIPAL			0003 MARTIN H. FARNHAM									
Bonus 1	Bonus 2	Bonus 3	Bonus 4	Bonus 5	Bonus 6	Bonus 7	Bonus 8	Bonus 9	Bonus 10	T				
030000										1				
Pay:	125.00													
Ret:	125.00													
D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC
	8,844.08	1.00	L	P	8,844.08	NML	TMNS			8,844.08	57	1	1	
Adjustment >	+	1,010.77	1.00	L	P	1,010.77	NML			8,844.08	57	1	1	
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid					
	EOMREG	0.00	1		/ / /	/ / /		0.00 / 00	0.00					

Sample of Change of Contract

Santa Clara County Office of Education

**CHANGE OF CONTRACT**

Employee Name: CLAY MATTHEWS      Ext Ref: 12345

Effective Date: 03/10/2014      Paid on: 3/31/2014

Calendar Used: Green Bay Packers

	Term	Late	
<i>Base Ret Monthly</i>	6,939.60	8,719.08	7,089.60 Sep
<i>Bilingual Stipend Prorated</i>	0.00	0.00	7,089.60 Oct
<i>Longevity/Degree Flat Amount</i>	150.00	125.00	7,089.60 Nov
<i>Ret.Base at 100% FTE Monthly</i>	7,089.60	8,844.08	7,089.60 Dec
1 Annual Contract Amount at 100% FTE	70,896.00	106,128.96	7,089.60 Jan
2 Annual Contract Days	185	210	7,089.60 Feb
3 Daily Rate (Line 1 Divided/Line 2)	383.22	505.38	7,089.60 Mar
4 Number of Days For Pay	129.00	72.00	(191.61) TERM 10 Month Adj
5 Percentage of Time FTE	100.00	100.00	1,010.75 LATE 12 Month Adj
6 Amount Authorized (Line 3 x Line 4 x Line 5)	49,435.59	36,387.07	8,844.08 Mar
7 Pay Frequency	10.00	12.00	Total 8,844.08 Apr
8A Amount Paid-To-Date	42,537.60		Amount 8,844.08 May
8B Months Remaining in the Year		4.00	Authorized 8,844.08 Jun
9 Amount To Be Normally Paid This Month	7,089.60	8,844.08	85,822.66 85,822.66
10 Contract Adjustment to NML	(191.61)	1,010.75	Verification
11 Amount Actually Paid on Current NML	6,897.99	9,854.83	

Prepared By: Dlo      **16,752.82**

Date Prepared: 3/28/2014

**Reference:**

Employer Directive 2013-04 CalSTRS No Longer Performs Change of Base Calculations.

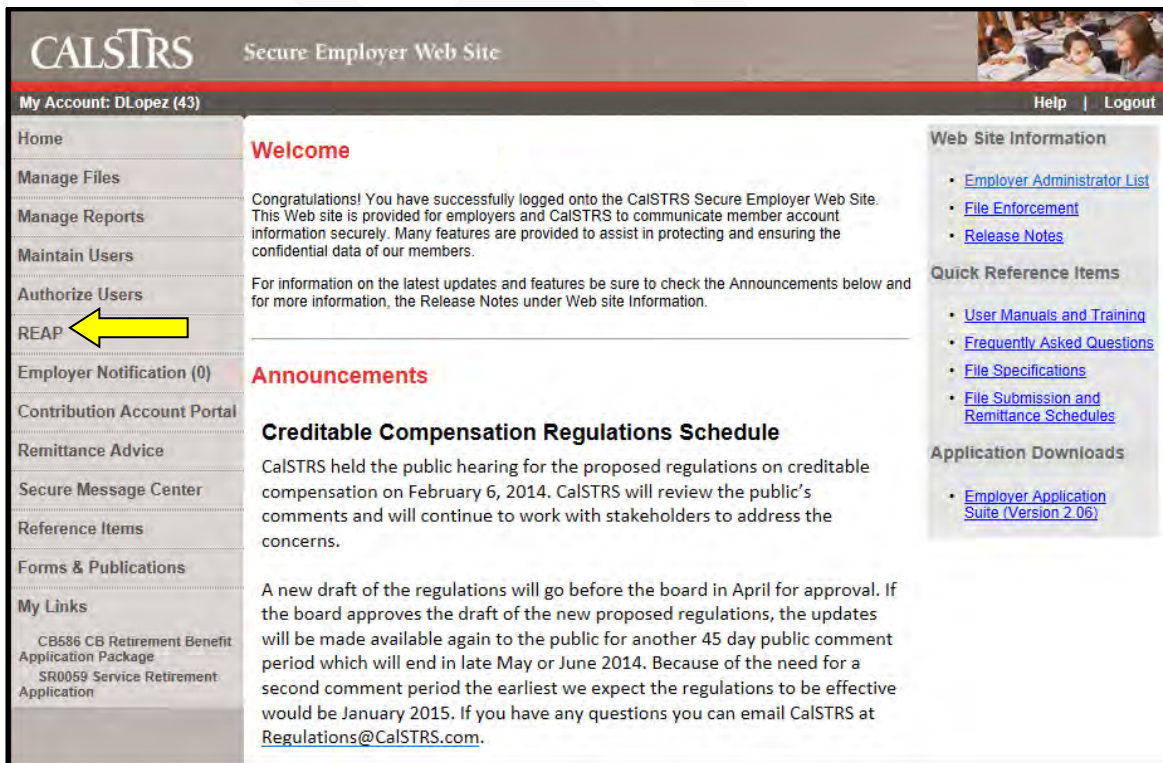
Upon review of Ed Code sections 22701, “Computation of service to be credited”, 22115, “Compensation earnable”, and 22138.5, “Full-time minimum standards”, CalSTRS does not have the authority to grant service credit for which service has not been performed, not compensation paid. Therefore, CalSTRS has discontinued processing change of base request.

**SEW/REAP User Manual**

<https://sew.calstrs.com>



From Home page click on **REAP**



Enter Tax ID = SSN, then click *Search*

**REAP Single Person/Account**

Search by ID    Search by DB Exception   [Mass Update](#)

  [Hide](#)

Tax ID    Client ID    LAUSD Number        

If DB Status is **“Member”**, then no action is required

LAUSD Number: [Hide](#)

Retirement Formula : 2% at 60

Gender: F   Birth Date:   Death Date:   Coverage: B  
**DB Status: MEMBER**   **DB Date: 04/01/2009**   CB Status:   CB Date:

Person

History:

Change Date	Tax ID	Name	Birth Date
11/22/2005			

If DB status is **“Non-Member”** or **“Refund”** click on the Update tab, from the drop down menu select Transaction Code 11 for Mandatory Member and for Permissive Election select Transaction Code 81 and enter Effective Date

LAUSD Number: [Hide](#)

Retirement Formula : 2% at 60

Gender: M   Birth Date:   Death Date:   Coverage: B  
**DB Status: NONMBR**   **DB Date: 08/25/2001**   CB Status:   CB Date:

Person

History:

Change Date	Tax ID	Name	Birth Date
08/26/2013			?



If Person not found, enter Tax ID, click on Mass Update

**REAP Single Person/Account**  
Person not found  
 Search by ID  Search by DB Exception [Mass Update](#)  
Search Hide  
 Tax ID  Client ID  LAUSD Number 112-23-3445 Search Reset

Enter Tax ID again, you can add multiple employees at a time

**REAP Mass Update**  
Search Hide  
Single Account/Person  
Tax ID:  
112233445  
Search Reset

Add employees data from QCC MA screen, select Transaction Code 11 for Mandatory Membership, 81 for Permissive Election or 02 for Non-Member, then click on Submit to save

**REAP Mass Update**  
Search Hide  
Single Account/Person  
Tax ID:  
112-23-3445  
Search Reset  
Search Results  
Transaction: [dropdown] Effective Date: [calendar] (After 01/01/2013)  
Tax ID: 112-23-3445 Last Name: [input] First Name: [input] MI: [input]  
Gender: [dropdown] Birth Date: [calendar] LAUSD Number: [input]  
Retirement Formula:  
DB Status: [input] DB Date: [calendar] CB Status: [input] CB Date: [input] Reset  
Submit Reset All New Search



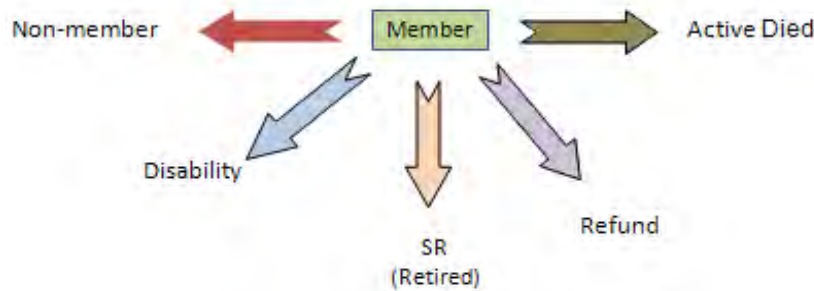
**Inquiry and report feature**

- New member account established & Change in Status
- This report will provide a list of employees with the most updated status at one glance rather than one-by-one inquiry

The screenshot shows the 'Employer Notification' search interface. The search criteria are: Report Source: 43 Santa Clara Co Office of Ed, Report Unit: All, From Date: 03/01/2014, To Date: 03/16/2014. The search results table is as follows:

Tax Id	Name	Init. Source	Init. Unit	Notification Date	Prior Status	New Status	Effective Date	Aff. Unit
	BARNHART,	STRS		03/14/2014 07:00:46.4 PM	MEMBER	SR	05/31/2014	43181
	PAYNE,	27		03/13/2014 12:09:45.3 PM	NONMBR	MEMBER	02/01/2014	43176

Which status changes create a notification?



## CalPERS

**The California Public Employees' Retirement System** is an agency in the California executive branch that "manages pension and health benefits for more than 1.6 million California public employees, retirees, and their families".

**Compensation** means the compensation paid out of funds controlled by the employer in payment for the member's services performed during normal working. Pay rate and special compensation must be in written schedules, ordinance, or similar documents that are available for public review.

### Reference:

California Government Code (G.C.) sections 20630 through 20636 of Public Employees' Retirement Law (PERL) define compensation earnable, pay rate, and special compensation.

### CLASSIC Member - 2% @ 55, Contribution Rate 7%:

- All existing CalPERS members as of December 31, 2012
- A member that has a break in service of more than six months but returns to service with the same employer
- All Schools are considered same employer
- Will continue to be eligible for 1 year final compensation for retirement calculation

### PEPRA New Member 01/01/2013 - 2% @ 62, Contribution Rate 6%:

- A new hire who has no prior membership in any California public retirement system prior to January 1, 2013
- A member who first established CalPERS membership prior to January 1, 2013, and who is rehired by different CalPERS employer after a break in service of greater than six months
- All Schools are considered same employer
- Requires a 3 years average for final compensation for retirement calculation

### Reference:

Government Code 7522.04

## CalPERS Membership Eligibility

### Mandatory Membership Eligibility – Time Base:

- Permanent Full-time (40 hours per week)
- Full-time for a temporary appointment of six months or longer
- Part-time, average at least 20 hours per week for one year or longer
- (20hours x 52 weeks = 1040 hours) or 50% FTE

**Reference:** *Government Code 20305*

***“Once a member, always a member”***

### PERS Monitored Positions – Irregular Time Base:

Full-time employment that continues for longer than six months:

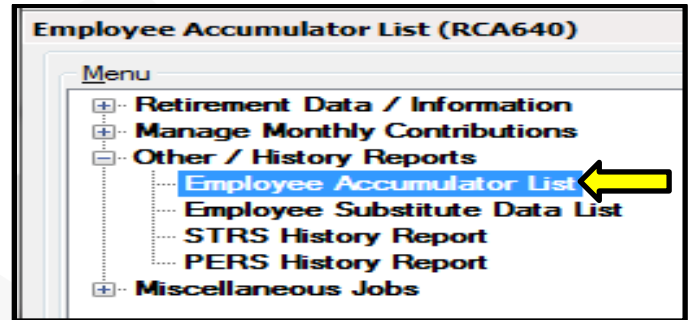
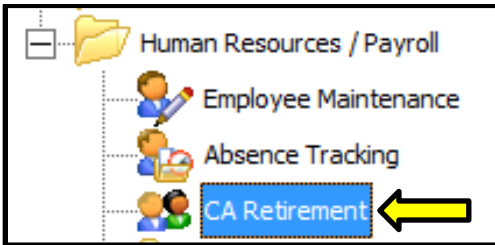
- Active membership date is on the first day of the pay period of the seventh month.

For temporary, substitute, seasonal, on-call, emergency, intermittent:

- Monitor for 1,000 hours in a fiscal year (July 1 – June 30), overtime hours are included in the 1,000 hour total. Active membership date is the first day of the following pay period in which 1,000 hours were completed.

**Accumulator Limit Report RCA640 in QCC**

This report consolidates hours or days worked for an employee by fiscal year. This report will assist with the identification of a non-member that is close or has reached the 1,000 hours for mandatory qualification.



Report Title:

Sort By: 1 - District/ Name

Optional Selection Criteria (Blank for all):

Days > :  or Hours > :

District:  (all districts)

Retirement System

Retirement Account Codes

Pay Codes:

Employees:

**Criteria:**  
 Retirement System:  
**05** for Non-Member

Retirement Account Codes: **00**

Pay Codes:  
**02 & 12** for Classified

It is the employer’s responsibility to determine the eligibility of their employees to participate in CalPERS. If an employer fails to enroll an eligible employee into CalPERS within 90 days of qualifying, the employer is required to pay all arrears, cost for member contributions, and administrative costs of \$500.00 per member. The employer cannot pass on these costs assessed to the employee due to untimely enrollment.

**Reference:**

Government Code 20283



**Procedure:**

- Verify PERS membership status at:  
<https://my.calpers.ca.gov/web/ept/public/systemaccess/selectLoginType.html>
- Click on the Business Partner radial button and Continue to log in
- From my|CalPERS home page, select *Person Information* tab, enter SSN, and click on search to check for the member status.

**Member Status can be:**

- Active = Currently employed with a school district
- If the employee is ACTIVE with another employer, start reporting payroll to PERS immediately regardless of the time base. Create a NEW Retirement Enrollment (Appointment Id) with effective date matching hire date. This is required by each district the employee works for.
- Inactive = Permanent Separation
- If the member refunds CalPERS contributions, they will need to re-qualify

**IMPORTANT:** Determine whether employee is a **CLASSIC** or a **PEPRA** member and set-up accordingly.

In this example we have a **CLASSIC** member (membership date 01/06/2003), this employee is new to your district (contributing appointment date 08/15/2013). Member is still considered a **CLASSIC** member even though this employee is new to your district.

my|CalPERS Person Information Screen

Appointment Details	
<b>Programs</b>	
<b>Program:</b> CalPERS	<b>Membership Date:</b> 01/06/2003
<b>Retirement System:</b> CalPERS	
<b>Membership Status:</b> Active	<b>Enrollment Eligibility Date:</b> 08/15/2013
<b>Position Information</b>	
<b>Employer:</b> Santa Clara County Schools	<b>CalPERS ID (Employer):</b> 4808924344
<b>Division:</b> Campbell Union Elementary School District	<b>CalPERS ID (Division):</b> 6339281980
<b>Original Hire Date:</b> 08/15/2013	
<b>Member Category:</b> Miscellaneous	<b>Work Calendar:</b> Work 10 Months/Paid 10 Months
<b>Position Title:</b> CBU: -	<b>Temporary Position:</b> No
	<b>Is member subject to local Alternate Retirement Plan (Gov Code Section 20306)?</b> No
<b>Retired Annuitant:</b> No	<b>Appointment ID:</b> <input type="text"/>
<b>Contributing Appointment:</b> Yes	<b>Contributing Appointment Date:</b> 08/15/2013
<b>Appointment Status:</b> Active	<b>Leave Type:</b>
<b>Enrollment Level:</b> Classic	<b>Formula Name:</b> 2% at 55 State, School Miscellaneous and Industrial
<b>Member Base Rate:</b> 7.0	<b>Cost Share:</b> 0.0
<b>Contribution Modification:</b>	
<b>Created by User:</b> Employer	
<b>Created on:</b> 10/30/2013	
<b>Appointment Profile Last Refreshed:</b> 10/30/2013	<b>Refunded Appointment:</b> No

QCC W4 Screen

Control Information			
Check sort: 1120 - DISTRICT BUS&ADV SERS ADMIN NJ	Alt check sort: 1118 - DISTRICT BUSINESS&ADVISORY JS		
Pay code: 02 - CLASSIFIED SALARIED	Primary RS: 02 - PERS CLASSIFIED RETIREMENT	Unit: 000	
Ret code: 08-1-1	Secondary RS: 00 - NO CODE	Unit: 000	
Pay schedule: EOMREG - EOM 12MOS DS-REG	Statutory ded: TFSP - FIT SIT FICA SDI PERS		
DPO: N	SUI: 1 - Regular funding	EIC: <input type="text"/>	Sub: 0 - Not sub
Control group: LN - EMPLOYEES L-N			Def Pay Bal: 0.00

In this example we have a **PEPRA** member (membership date 08/15/2013), this employee is new to My|CalPERS and has never been a member of any public retirement system.

my|CalPERS Person Information Screen

Appointment Details	
<b>Programs</b>	
<b>Program:</b> CalPERS	<b>Membership Date:</b> 08/15/2013
<b>Retirement System:</b> CalPERS	
<b>Membership Status:</b> Active	<b>Enrollment Eligibility Date:</b> 08/15/2013
<b>Position Information</b>	
<b>Employer:</b> Santa Clara County Schools	<b>CalPERS ID (Employer):</b> 4808924344
<b>Division:</b> Fremont Union High School District	<b>CalPERS ID (Division):</b> 4606698501
<b>Original Hire Date:</b> 08/15/2013	
<b>Member Category:</b> Miscellaneous	<b>Work Calendar:</b> Work 10 Months/Paid 12 Months
<b>Position Title:</b>	<b>Temporary Position:</b> No
<b>CBU:</b> -	<b>Is member subject to local Alternate Retirement Plan (Gov Code Section 20306)?</b> No
<b>Retired Annuitant:</b> No	<b>Appointment ID:</b> [REDACTED]
<b>Contributing Appointment:</b> Yes	<b>Contributing Appointment Date:</b> 08/15/2013
<b>Appointment Status:</b> Active	<b>Leave Type:</b>
<b>Enrollment Level:</b> PEPRA New ←	<b>Formula Name:</b> 2% @ 62 Formula for Miscellaneous/Industrial Members
<b>Member Base Rate:</b> 6.0	<b>Cost Share:</b> 0.0
<b>Contribution Modification:</b>	
<b>Created by User:</b> Employer	
<b>Created on:</b> 07/24/2013	
<b>Appointment Profile Last Refreshed:</b> 07/24/2013	<b>Refunded Appointment:</b> No

QCC W4 Screen

Control Information			
Check sort: 1120 - DISTRICT BUS&ADV SERS ADMIN NJ	Alt check sort: 1118 - DISTRICT BUSINESS&ADVISORY JS		
Pay code: 02 - CLASSIFIED SALARIED	Primary RS: 12 - PEPRA CLASSIFIED WITH OASDI	Unit: 000	
Ret code: 08-1-1	Secondary RS: 00 - NO CODE	Unit: 000	
Pay schedule: EOMREG - EOM 12MOS DS-REG	Statutory ded: TFSP - FIT SII FICA SDI PERS		
DPO: N	SUI: 1 - Regular funding	EIC: [REDACTED]	Sub: 0 - Not sub
Control group: LN - EMPLOYEES L-N			Def Pay Bal: 0.00

## Other Employer Responsibilities for CalPERS Members

### Update My|CalPERS of any changes to employees' employment status:

- Unpaid Leave of Absence
- Permanent Separation
- Address Change
- Name Change
- Position Change

The permanent separation date is now part of a series of system validations. **Therefore**, the permanent separation date must be reported to My|CalPERS as the day *after* the last day an employee works for your district.

- From My|CalPERS home page, select *Person Information* tab, enter SSN, and click on search
- Select Employer (district requiring separation), next to *Appointment Event History* click on **Add New**
- Select type of change under the Event drop down menu

The screenshot shows the myCalPERS interface. At the top, there are navigation tabs: Home, Profile, Reporting, Person Information, Education, and Other Organizations. Below these are sub-tabs for Summary and Health Enrollment. A left-hand menu lists various options: Common Tasks, Menu, Appointment History, Payroll Information, Member Elections, Contributory Appointment History, and Appointment History. The main content area is titled 'Appointment Event Details' and contains several required fields: Name, Gender, CalPERS ID, and Date of Birth. Below these are fields for Event (with a dropdown menu) and Event Date (with a calendar icon). A yellow arrow points to the Event dropdown menu. At the bottom of the form are 'Save' and 'Clear' buttons. A red asterisk indicates that the fields marked with an asterisk are required.

**Reference:** CalPERS Circular Letter No: 200-070-1



**PERS Membership Codes for W4 Screen**

**Primary RS (Retirement System) Determined by Eligibility:**

- 02 = CLASSIC Member
- 12 = PEPPA New Member with OASDI
- 22 = PEPPA New Member Non OASDI
- 04 = Retired
- 05 = Non-Member or Alternative Retirement

**QCC W4 Screen**

Control Information	
Check sort : 1120 - DISTRICT BUS&ADV SERS ADMIN NJ	Alt check sort : 1118 - DISTRICT BUSINESS&ADVISORY JS
Pay code : 02 - CLASSIFIED SALARIED	Primary RS : 02 - PERS CLASSIFIED RETIREMENT
Ret code : 08-1-1	Secondary RS : 00 - NO CODE
Pay schedule : EOMREG - EOM 12MOS DS-REG	Statutory ded : 01 - STRS CERTIFICATED RETIREMENT
DPO : N SUI : 1 - Regular funding	EIC : 02 - PERS CLASSIFIED RETIREMENT
Control group : LN - EMPLOYEES L-N	03 - STRS RETIRED
Ret rate : 0.000000	04 - PERS RETIRED
Member ID :	05 - NON-MEMBER OR ALTERNATIVE RET
User def (1) : DD=Y (2) DENTAL (3) (4) (5)	12 - PEPPA CLASSIFIED WITH OASDI
Pending ret :	22 - PEPPA CLASSIFIED NON-OASDI
	SMF status/date :



**PERS AC-P-C Codes for W4 and PR screen****AC = Account Code:**

- 08 = Member
- Coordinated with Social Security and is Equivalent to Miscellaneous Category when setting up member account in my|CalPERS
- 00 = Non-Reportable

**P = Pay Code:**

- 0 = Non-Reportable
- 1 = Monthly Rate
- 4 = Hourly Rate
- 8 = Daily Rate
- 9 = Lump Sum Rate

**C = Contribution Code:**

- 0 = Non-Reportable
- 1 = Current Month: Member Contributions
- 3 = Arrears: Prior Period EARNINGS Adjustment, *DOES Generate Service Credit*
- 5 = Retro: Ret. Base/Pay Rate Change, *does NOT Generate Service Credit*
- 6 = Special Compensation

**PERS Guide on Statutory Deductions****St-Ded field may contain up to 6 characters:**

- 1<sup>st</sup> character      **T:** Federal & State Taxes
- 2<sup>nd</sup> character      **F:** Social Security & Medicare  
                              **M:** Medicare Only
- 3<sup>rd</sup> character      **S:** State Disability  
                              **N:** No State Disability
- 4<sup>th</sup> - 6<sup>th</sup> characters      **PERS Contributions**, please see chart below for options:

St-Ded Profile Characters: 4, 5, & 6	
<b>P</b>	PERS Tax-Deferred
<b>PT</b>	PERS Taxable
<b>PS</b>	PERS Survivor Benefit Tax-Deferred, one time election in 1986 in lieu of Social Security & Medicare
<b>PST</b>	PERS Survivor Benefit Taxable, one time election in 1986 in lieu of Social Security & Medicare
<b>PR</b>	PERS Report Only, No Contributions
<b>P70</b>	PERS Employer Paid Member Contributions 7%
<b>PXX</b>	PERS EPMC where <b>XX</b> = % District Pays, Tax-Deferred
<b>PXT</b>	PERS EPMC where <b>X</b> = % District Pays, Taxable
<b>N</b>	No Contributions, Non-Reportable
<b>PAR</b>	Alternative Retirement PARS, requires 8XXX Vol-Ded
<b>ING</b>	Alternative Retirement ING, requires 8XXX Vol-Ded
<b>APP</b>	Alternative Retirement APPLE, requires 8XXX Vol-Ded

**All employees must be reported with Tax-Deferred (P) contributions unless:**

- District has a MOU with CalPERS that stipulates Taxable (**PT**) contributions
- The MOU must apply to a class of employees (cannot be for a single employee)
- All pay lines must be reported consistently as Taxable (Do not report a combination of Taxable and Tax-Deferred pay lines)

**PERS St-Ded's for W4 & PR Screens****TFSP – PERS Member RS: 02 or 12**

**T:** State & Federal  
**F:** Social Security & Medicare  
**S:** SDI  
**P:** Taxed Deferred Non-Taxable

**TFNP – PERS Member RS: 02 or 12**

**T:** State & Federal  
**F:** Social Security & Medicare  
**N:** No SDI  
**P:** Taxed Deferred Non-Taxable

**TFSPT – PERS Member RS: 02 or 12**

**T:** State & Federal  
**F:** Social Security & Medicare  
**S:** SDI  
**PT:** Taxable Contributions

**TFNPT – PERS Member RS: 02 or 12**

**T:** State & Federal  
**F:** Social Security & Medicare  
**N:** No SDI  
**PT:** Taxable Contributions

**TFSEX – PERS Member RS: 02 or 12**

**T:** State & Federal  
**F:** Social Security & Medicare  
**S:** SDI  
**XX:** Last 2 Characters determined by district,  
depending on Bargaining Unit

**TFNXX – PERS Member RS: 02 or 12**

**T:** State & Federal  
**F:** Social Security & Medicare  
**N:** No SDI  
**XX:** Last 2 Characters determined district,  
depending on Bargaining Unit

**TMNN – PERS Retiree RS: 04**

**T:** State & Federal  
**M:** Medicare Only  
**N:** No SDI  
**N:** No Contributions, Non-Reportable

**TFNN - PERS Non-Member RS: 05**

**T:** State and Federal  
**F:** Social Security & Medicare  
**N:** No SDI  
**N:** No Contributions, Non-Reportable

**Reference:**

SSSAP Bulletin No. 1 – April 2012  
Retired/Rehired Annuitants not contributing to  
Social Security

**PERS Guide on AC-P-C Code Combinations**

**Members – Primary RS: 02 or 12, St-Ded: Determined by district:**

	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base/Pay Rate</u>
Monthly Contract	08-1-1	08-1-3	08-1-5	Monthly
Substitutes Hourly	08-4-1	08-4-3	08-4-5	Hourly
Substitutes Daily	08-8-1	08-8-3	08-8-5	Daily
Part-Time Hourly	08-4-1	08-4-3	08-4-5	Hourly
Part-Time Daily	08-8-1	08-8-3	08-8-5	Daily
Special Comp	08-9-6	08-9-6	08-9-6	Lump Sum (Rate=Ret. Base)
Non-Reportable	00-0-0	00-0-0	00-0-0	Monthly, Hourly or Daily i.e. Overtime Earnings

**Non Members – Primary RS: 05, St-Ded: Determined by district:**

	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base/Pay Rate</u>
Non-Reportable	00-0-0	00-0-0	00-0-0	Monthly, Hourly or Daily

**Retirees – Primary RS: 04, St-Ded: TMNN**

	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base/Pay Rate</u>
Non-Reportable	00-0-0	00-0-0	00-0-0	Monthly, Hourly or Daily

- A 960 hour work restriction applies to all retirees per fiscal year
- A 180 day waiting period is required to return to work for anyone that retired after 01/01/2013
- Please be advised that there is a 180-Day Waiver request form for PERS retirees, contact your Accounting Specialist for a copy

### Special Compensation Categories and Types for CalPERS

Special compensation shall be limited to that which is received by a member pursuant to a labor policy or agreement to similarly situated members of a group or class of employment and is reported in addition to and separately from pay rate.

**Reference:** CCR 571(a) and (b)

REPORTABLE:	CLASSIC	PEPRA
<b>INCENTIVE PAY</b>		
Bonus	X	
Longevity Pay	X	X
Off-Salary-Schedule Pay	X	
Physical Fitness Program	X	X
Value of EPMC	X	
<b>EDUCATIONAL PAY</b>		
Educational Incentive	X	X
Undergraduate/Graduate/Doc Credit	X	X
<b>PREMIUM PAY</b>		
Temporary Upgrade Pay	X	
<b>SPECIAL ASSIGNMENT PAY</b>		
Bilingual Premium	X	X
Confidential Premium	X	X
Lead Worker/Supervisor Premium	X	X
Severely Disabled Premium	X	X
Shift Differential Premium	X	X
School Yard Premium	X	X
Training Premium	X	X
<b>STATUTORY ITEMS</b>		
Holiday Pay	X	X
Uniform Allowance	X	

**The following earnings are NOT reportable to PERS**

- Overtime
- Travel and cellular phone stipend
- Cash in lieu of benefit
- Vacation and Sick leave pay off
- Legal settlement
- Retirement incentive
- Non-member earnings
- Certificated earnings (unless elected PERS)



**PERS Common Errors**

- Overtime Earnings reported to PERS: This occurs most often when an employee takes additional duties on top of their Full-Time contract or when an employee works multiple Part-Time positions.
- Not using the same Ret. Base/Pay Rate as the original pay line when making negative adjustments to prior period earnings.
- When doing negative earnings adjustment, the negative amount should not exceed what was originally issued.
- Incorrect Date range on Retro or Arrears pay lines *or* leaving the date range blank.
- Using Retro code 5 for Arrears payment code 3 or vice-versa.
- Using incorrect Ret. Base/Pay Rate on retro *and* combining different Pay Rates into one pay line.
- Using the earnings as the Ret. Base/Pay Rate on positions that are not 100% FTE. Ret Base must always be at 100% FTE.
- Not using the same Ret. Base/Pay Rate and Rate/Earnings for special compensation.
- The Ret. Base/Pay Rate and Pay Code not corresponding, they should relate:
  - Monthly Rate = PC 1                      Hourly Rate = PC 4                      Daily Rate = PC 8
- The Pay Type and Contribution Code not corresponding, they should relate:
  - ARR = CC 3                                      RET = CC 5



**When to Issue a RETRO**

When an employees’ Ret. Base/Pay Rate changes due to:

- An approved and ratified collective bargaining agreement between School District Boards and Collective Bargaining Units
- A change in Step and Column

**Example:** A 10 month employee is receiving a 5% pay increase in January 2014 that retro’s from September 2013 to December 2013

$$\frac{\text{New Rate} - \text{Old Rate}}{1} = \text{RET Amount} \times \text{\# of Months} = \text{RET Amount to be issued}$$

$$5,730.00 - 5,491.25 = 238.75 \quad \times 4 \text{ months} = 955.00 \text{ Retro Amount}$$

AC-P-C code 08-1-5 with the **NEW Ret. Base/Pay Rate**

**Important:** Date should always cover the pay period for which the retro is being issued. Please keep in mind your late/change/term contract and add date accordingly.

Make sure the Pay Schedule corresponds to contracted position. i.e. E10B07 for 10 month contract

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC
	955.00	0.00	LZ	P	0.00	RET	TFSP			5,730.00	08	1	5	
Adjustment >	0.00	0.00			0.00	RET				0.00	08	1	5	
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid					
	E10B07	0.00	1		09/01/2013	12/31/2013		0.00 / 00	1,250.00					

Pay Rate					
NEW	OLD	EARNINGS	FTE	RETRO	Service Period
5,730.00	5,491.25	5,491.25	.100	238.75	SEPT
5,730.00	5,491.25	5,491.25	.100	238.75	OCT
5,730.00	5,491.25	5,491.25	.100	238.75	NOV
5,730.00	5,491.25	5,491.25	.100	238.75	DEC
<b>Total Retro</b>			<b>Amount</b>	<b>955.00</b>	



**Common Retro Error:** Reporting retro pay lines for PERS members that have multiple Ret. Bases & FTE’s. This is due to the different positions they hold. my|CalPERS does not have the ability to distinguish where to allocate the two retros that need to be issued.

**Error Resolution**

**Step 1:** The Retro for the position with the HIGHER Ret. Base/Pay Rate can be reported as a single **RET** pay line covering the entire span of the retro.

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC	SCT
	102.40	1.00	LZ	P	102.40	RET	TFNP70			4,259.67	08	1	5		
Adjustment >	0.00	0.00			0.00	RET				0.00	08	1	5		
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid						
	EOMSUP	0.00	1		01/01/2014	01/31/2014		0.00 / 00	2,662.38						

**Step 2:** For the Retro on the position with the LOWER Ret. Base/Pay Rate, back out the original pay line as **ARR** with negative earnings. **For multiple pay periods, back out each pay line individually.**

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC	SCT
	-1,421.23	1.00	LZ	P	-1,421.23	ARR	TFNP70			3,789.94	08	1	3		
Adjustment >	0.00	0.00			0.00	ARR				0.00	08	1	3		
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid						
	EOMSUP	0.00	1		01/01/2014	01/31/2014		0.00 / 00	-1,421.23						

**Step 3:** Re-Reported as **ARR** adding the original earnings back **PLUS** the retro amount using the New Ret. Base. **For multiple pay periods, re-report each pay line individually.**

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC	SCT
	1,478.08	1.00	LZ	P	1,478.08	ARR	TFNP70			3,941.88	08	1	3		
Adjustment >	0.00	0.00			0.00	ARR				0.00	08	1	3		
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid						
	EOMSUP	0.00	1		01/01/2014	01/31/2014		0.00 / 00	1,478.08						

**When to Issue ARREARS**

When there is a change in FTE (paid at higher/lower amount not due to change in Ret. Base/Pay Rate), contribution code 3 is used to report corrections to prior period earnings.

Create a separate pay line for each arrears pay period (month) so that service credit can be posted properly to the member’s account, e.g. one pay line for January’s arrear, one pay line for February’s arrear, another pay line for March’s arrear, etc.

**PR Screen Sample: ARR to January**

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC
▼	280.00	0.00	LZ ▼	P ▼	0.00	ARR ▼	TFSP ▼			5,465.00	08	1	3	
▼	0.00	0.00			0.00	ARR ▼				0.00	08	1	3	
Name		Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid				
		EOMREG ▼	0.00	1		01/01/2014 ▼	01/31/2014 ▼		0.00 / 00	1,250.00				

**PR Screen Sample: ARR to February**

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC
▼	280.00	0.00	LZ ▼	P ▼	0.00	ARR ▼	TFSP ▼			5,465.00	08	1	3	
▼	0.00	0.00			0.00	ARR ▼				0.00	08	1	3	
Name		Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid				
		EOMREG ▼	0.00	1		02/01/2014 ▼	02/28/2014 ▼		0.00 / 00	1,250.00				

**PR Screen Sample: ARR to March**

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC
▼	280.00	0.00	LZ ▼	P ▼	0.00	ARR ▼	TFSP ▼			5,465.00	08	1	3	
▼	0.00	0.00			0.00	ARR ▼				0.00	08	1	3	
Name		Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid				
		EOMREG ▼	0.00	1		03/01/2014 ▼	03/31/2014 ▼		0.00 / 00	1,250.00				

**Common Error:** For example, when paying employee earnings earned 1/15 to 1/31 on the February 10<sup>th</sup> payroll, under AC-P-C, use contribution code 1 instead of 3. These earnings are still considered CURRENT, not ARREARS.

**Scenario #1:**

An employee’s overtime earnings were coded with PERS contributions which generated excessive service credit. *Overtime earnings are NOT reportable to PERS.* These earnings need to be backed out and re-reported without contributions.

**Step 1:** Create a new pay line, back out the original entry as ARR with negative earnings and use contribution code 3, same Ret. Base and St-Ded as reported on original pay line that was issued incorrectly, add date range that corresponds to pay period issued.

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C
	-45.00	10.00	H		-450.00	ARR	TFNP			45.00	08	4	3
Adjustment >	0.00	0.00			0.00	ARR	TFNP			0.00	08	4	3
Name	Pay Schd	Cy	HR/DAY	S	B	F	Start	End	User	Annual Contract	FTD Paid		
	EOMREG			1			01/01/2012	01/31/2012		0.00 / 00			

**Step 2:** Create a new pay line and re-report earnings without contributions also using ARR.

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C
	45.00	10.00	H		450.00	ARR	TFNN			45.00	00	0	0
Adjustment >	0.00	0.00			0.00	ARR	TFNN			0.00	00	0	0
Name	Pay Schd	Cy	HR/DAY	S	B	F	Start	End	User	Annual Contract	FTD Paid		
	EOMREG			1			01/01/2012	01/31/2012		0.00 / 00			

**Scenario #2:**

PERS retiree was paid as a member in error; these earnings need to be reversed.

**Step 1:** Please make sure that the W4 screen Primary RS indicates PERS member 02 in order to enter a negative pay line to back out the previously reported incorrectly.

Control Information	
Check sort: 0081 - TRANSPORTATION	Alt check sort: 0099 - SUBSTITUTES
Pay code: 12 - CLASSIFIED HOURLY/DAILY	<b>Primary RS: 02 - PERS CLASSIFIED RETIREMENT</b>
Ret code: 08-4-3	Secondary RS: 00 - NO CODE
Pay schedule: TENREG - 10TH 12MOS DS-REG	Statutory ded: TMNPR - FIT SIT MEDI PERSRET
DPO: N SUI: 1 - Regular funding	EIC: Sub: 0 - Not sub Def P
Control group: CS - CL SUBS	

**Step 2:** Create a new pay line, back out the original entry as ARR with negative earnings and use contribution code 3, same Ret. Base and St-Ded as reported on original pay line that was issued incorrectly, add date range that corresponds to pay period issued.

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC
	-280.00	0.00	LZ	P	0.00	ARR	TFSP			28.00	08	4	3	
	0.00	0.00			0.00	ARR				0.00	08	4	3	
Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid					
	EOMREG	0.00	1		02/01/2014	02/28/2014		0.00 / 00	1,250.00					

**Step 3:** Now change W4 screen Primary RS to 04 to indicate PERS Retired

Control Information

Check sort: 0081 - TRANSPORTATION      Alt check sort: 0099 - SUBSTITUTES

Pay code: 12 - CLASSIFIED HOURLY/DAILY      **Primary RS: 04 - PERS RETIRED**

Ret code: 00-0-0      Secondary RS: 00 - NO CODE

Pay schedule: TENREG - 10TH 12MOS DS-REG      Statutory ded: TMNPR - FIT SIT MEDI PERSRET

DPO: N      SUI: 1 - Regular funding      EIC:      Sub: 0 - Not sub      Def Pa

Control group: CS - CL SUBS

**Step 4:** Create new pay line and re-report earnings with no PERS and no Social Security, as ARR with positive earnings, using AC-P-C code 00-0-0

D	Rate	Units	RT	S	Ex-Gross	Pay Type	St-Ded	SP	EP	Ret. Base	AC	P	C	WSC
	280.00	0.00	LZ	P	0.00	ARR	TMNN			28.00	00	0	0	
	0.00	0.00			0.00	ARR	TMNN			0.00	00	0	0	

Name	Pay Schd	HR/DAY	S	B	Start	End	User	Annual Contract	FTD Paid
	EOMREG	0.00	1		02/01/2014	02/28/2014		0.00 / 00	1,250.00

**Step 5:** A refund of the Social Security is required. The original pay line took Social Security from the employee and employer and the negative pay line entered does not automatically generate Social Security reversal. On the PD screen set up Vol-Ded code 8310 to refund the Social Security portion as a negative amount

Edit Ded + Add Ded Copy Ded Copy Selected Delete Ded Reset Ded Delete All Reset All Hold All Dec

Ln	DS	Code	Code Name	Plan	Employee	Employer	T	RL	B	F	S	vb	Minimum	Maximum
1	01	8310	ADD OASDI		-17.36	-17.36							0.00	0.00

**PERS PRE-PAYROLL QCC AUDIT**

In September of 2011, CalPERS launched a new system called my|CalPERS. In order to post retirement contributions on time, **all pay lines must be reported correctly**. If not, payroll submission will be delayed and may be subject to penalty and interest. It is imperative that districts clear all PERS errors prior to closing payroll (EOM, TENTH, WED, FRI).

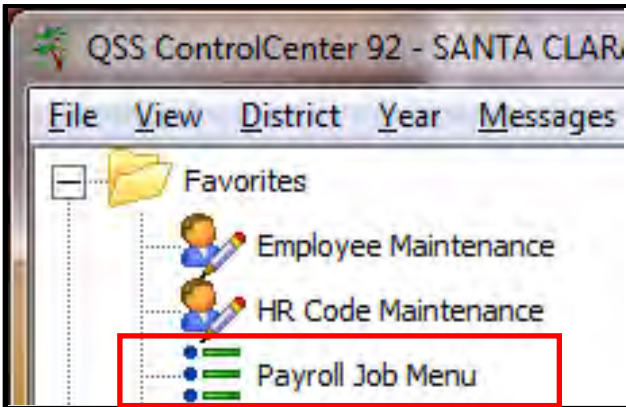
**Please note:** This process only helps clear errors that can be detected through the payroll system. After the payroll file is uploaded to PERS, there may be other errors that my|CalPERS will reject, which QCC does not have edits for.

**Procedure:**

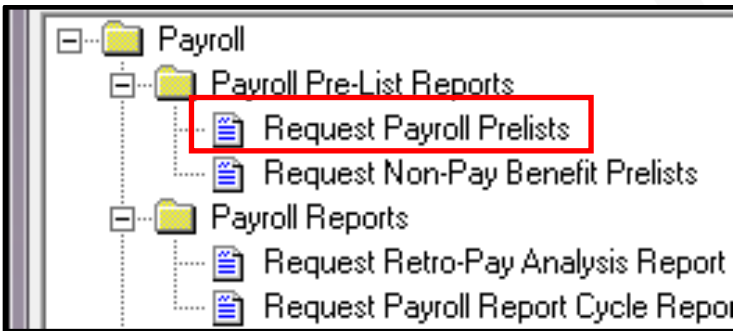
Log into QCC - Click on the following selections:

- **Payroll Job Menu**
- Double Click on **Request Payroll Prelist**
- **District Selection** Tab: Your district number will appear
- **Payroll Selection** Tab: Select the **Payroll Name, Pay Date, & Period End**
- **Report Selection** Tab: Select **RCA320 – PERS Pre-list / Data File**
  - Leave “Totals Only” unchecked
- **Optional Selection** Tab: Enter Service Period (**MMYY**) and Arrears (**MMYY**)
  - Example: EOM Payroll Pre-list for February 2014
    - ✓ Service Period **0214**      Arrears **0114**
  - Example: TENTH Payroll Pre-list for April 2014
    - ✓ Service Period **0314**      Arrears **0314**
- Click Submit to launch the job

Click on **Payroll Job Menu**



Select **Request Payroll Prelist**



Select **Payroll Name, Pay Date, & Period End**

A screenshot of a web form titled "Request Payroll Pre-list Reports". The form has four tabs: "District Selection", "Payroll Selection", "Report Selection", and "Optional Selection". The "Payroll Selection" tab is active. Under the heading "Reporting Options", there are four input fields: "Year" with the value "14", "Payroll Name" with a dropdown menu showing "EOM", "Pay Date" with a date picker showing "03/28/2014", and "Period End" with a date picker showing "03/31/2014". At the bottom of the form are two buttons: "Show Active Pay Schedules" and "List Payrolls".



Select **RCA320 – PERS Prelist / Data File** (leave “Totals Only” unchecked)

District Selection Payroll Selection **Report Selection** Optional Selection

**Request Payroll Pre-list Reports**

Reporting Options  
 Report Title:   
 SSN Masking:  0 = none, 1-9 = mask, L/R = ExtRef

Select	Num Copies	Totals Only	Reports
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY510 - Payroll Pre-list
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY240 - Payroll Fund Transfer
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY250 - Alpha Payroll Register
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY260 - Payroll Earnings Register
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY270 - Labor Distribution
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY290 - Emps. Paid First Time
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY320 - Benefits Distribution
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY322 - Benefits Distribution (alpha)
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY600 - Vol-ded by Vol-ded number
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY610 - Vol-ded by Employee
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY620 - Vol-ded Summary
<input type="checkbox"/>	01	<input type="checkbox"/>	PAY615 - Garnishment Report
<input type="checkbox"/>	01	<input type="checkbox"/>	RCA500 - Retirement Exception List
<input type="checkbox"/>	01	<input type="checkbox"/>	RCA310 - STRS Pre-list / F496 File
<input checked="" type="checkbox"/>	01	<input type="checkbox"/>	RCA320 - PERS Pre-list / Data File

Enter Service Period (**MMYY**) and Arrears (**MMYY**)

District Selection Payroll Selection **Report Selection** Optional Selection

PAY510/512/250  
 PAY510 Sort Option:  Print Deduction Details  
 PAY512 Sort Option:   
 Pay Type:            
 PAY250 Sort Option:

RCA500  
 Sort Option:  Comments:   
 Error Codes:          
 Comment Types:          
 Comment Dates: From  To

RCA310 (STRS/F496 File)  
 Service Period: From  To  File:   
 Arrears: From  To

RCA320 (PERS/Data File)  
 Service Period:  (MMYY) Arrears:  (MMYY) File:

- EOM Payroll Prelist February 2014
  - ✓ Service Period **0214**
  - ✓ Arrears **0114**
  
- TENTH Payroll Prelist April 2014
  - ✓ Service Period **0314**
  - ✓ Arrears **0214**

Click on  to submit job

**From Print Manager (LSPool)**

**Step 1: Select Job RCA320, Click on *Download File***

Load Print Manager Users? Only my user. Automatic load of Job List(\$STDLIST)? Load on demand.

Files/\$STDLIST | Local Print Files | Session History | Server Commands

Ret.	LN	Sct	R	P	File #	Date/Time	Job#	Beg/End (Lines)	Report Title	Program Title	Program
	001	N	Y	N	113246	04/15/2014 12:17	J13375	0/0 (382)	PERS Simulation	PERS Simulation	RCA320

**Step 2: Click on *Get Preset***

STATE OF CALIFORNIA \*SIMULATION\*

PAYROLL LISTING FOR PUBLIC EMPLOYEES' RETIREMENT SYSTEM

EMPLOYER CODE 0215 DATE PRINTED 04/15/14  
CURRENT SERVICE PERIOD 04-14-0

SOCIAL SECURITY NUMBER	MEMBER NAME LAST F M	COVER GROUP	SERVICE PERIOD MO YR T	P RATE	MEMBER EARNING	CONTRIBUTION RATE CC	AMOUNT	SURV CNTB	WORK SCHED AMT. CODE	UNIT CODE	EMPLOYER CONT CODE	PAID CONTRI AMOUNT
------------------------	----------------------	-------------	------------------------	--------	----------------	----------------------	--------	-----------	----------------------	-----------	--------------------	--------------------

Report Settings:  
Preset Name: [ ]  Skip Blank Lines Delimiter: None

Selection Criteria | Column Output

Group	Lines	Option	Mask
-------	-------	--------	------

**Step 3: Find Preset PERS PRE-PAYROLL and Click on *Retrieve* then *OK***

Only list this Category: [ \*All Categories ] Search: [ ]

Ln	Name	DI	Cat	Description
277	PERS PRE-PAYROLL	00		PRE-PAYROLL PRE-LIST AUDIT

Retrieve Preset dialog: Retrieve Preset for Line:277 Name:PERS PRE-PAYROLL? [OK] [Cancel]

**Step 4:** Click on *Excel* to Open File

STATE OF CALIFORNIA \*SIMULATION\*

PAYROLL LISTING FOR PUBLIC EMPLOYEES' RETIREMENT SYSTEM

EMPLOYER CODE 0215 DATE PRINTED 04/15/14  
CURRENT SERVICE PERIOD 04-14-0

SOCIAL SECURITY NUMBER	MEMBER NAME LAST F M	COVER GROUP	SERVICE PERIOD MO YR T C	PAY RATE	MEMBER EARNING	CONTRIBUTION RATE CC	SURV WORK UNIT	EMPLOYER PAID

Report Settings  
Preset Name: PERS PRE-PAYROLL Skip Blank Lines Delimiter: Comma Delimi  
Preset Desc: PRE-PAYROLL PRE-LIST AUDIT

Group	Lines	Option	Mask
A	01	Include	#####

**Step 5:** Insert a Row for heading and Label Columns as shown - DELETE all columns without headings

SSN	LAST	M	YR	PC	PAY RATE	EARNINGS	RATE	CC	DIST	Service Credit	Diff						
	ACEVES	J	A	60004	4	14	0	1	3642.1	3186.84	700	1	0	173	107	11	223.08
	AGUILAR	J	C	60004	4	14	0	1	3661.84	3661.84	700	1	0	173	107	11	256.33
	ALEGRIA	M	E	60004	4	14	0	1	4085.26	4085.26	700	1	0	173	107	11	285.97
	ALLEN	D	A	60004	4	14	0	1	3542.77	1771.39	700	1	0	173	107	11	124.01
	ALLEN	D	A	60004	4	14	0	1	2938.22	1101.83	700	1	0	173	107	11	77.12

**Step 6:** Turn *Filter* ON

File Home Insert Page Layout Formulas Data Review View Acrobat

Sort & Find & Filter

1	SSN	LAST	M	YR	PC	PAY RATE	EARNINGS	RATE	CC	DIST	Service Credit	Diff
2	669-25-8934	ACEVES	4	14	1	3642.1	3186.84	700	1	107		
3		AGUILAR	4	14	1	3661.84	3661.84	700	1	107		
4		ALEGRIA	4	14	1	4085.26	4085.26	700	1	107		
5		ALLEN	4	14	1	3542.77	1771.39	700	1	107		
6		ALLEN	4	14	1	2938.22	1101.83	700	1	107		



1. Filter **Column I** by **Contribution Code (CC6) Special Comp**, add a formula to **Column L (Diff)** where:
  - (Pay Rate – Earnings); this should always equal to zero.
  - Special Comp can have current and prior period dates Column C (Month).
  - No future period dates are acceptable.
  - For PEPRAs members (**Column H = Rate 600**) you must identify a Compensation Category and Type for this payment. Refer to page 81 of this handout for details of SPC's reportable to PERS.
  - Delete Rows after this filter – print if you need a copy.
  
2. Filter **Column I** by **(CC3) Arrears**, earnings adjustment should have a prior period date:
  - No current or future period dates are acceptable.
  - Verify that these Arrears will not cause excess service credit for period adjustment.
  - For negative earnings adjustment, confirm that negative amount does not exceed what was originally reported; verify that the Pay Rate and Pay Code are the same as the original pay line you are adjusting.
  - Delete Rows after this filter – print if you need a copy.
  - Verify that **Pay Rate and Pay Code** meet the criteria described on Step 5 on next page.
  
3. Filter **Column I** by **(CC5) Retro**, Ret. Base/Pay Rate increase should have a prior period date:
  - No current or future period dates are acceptable
  - No negative Retros are acceptable, only if you are backing out a previously reported RET
  - Verify that you are reporting the NEW Pay Rate on RET
  - Do not combine different Pay Rates into one RET pay line
  - Reference page 83 & 84 of this handout for more details
  - Delete Rows after this filter – print if you need a copy
  - Verify that the Pay Rate and Pay Code meet the criteria described on Step 5 on next page.
  
4. Filter **Column I** by **(CC0) Buy Backs**, delete these rows.

5. Filter **Column I** by **(CC 1) Current Month**, and then apply the following filters:

**IMPORTANT:** All earnings for current month should be positive

- Filter **Column E** by **Pay Code (PC1) Monthly Pay Rate**
  - Min. \$1,386.00
  - Max. \$25,000.00
  - Add formula to **Column K** Service Credit (Earnings/Pay Rate = Service Credit)
- Filter **Column E** by **(PC4) Hourly Pay Rate**
  - Min. \$8.00
  - Max. \$86.00
  - Add formula to **Column K** Service Credit (Earnings/Pay Rate/172 = Service Credit)
- Filter **Column E** by **(PC8) Daily Pay Rate**
  - Min. \$64.00
  - Max. \$400.00
  - Add formula to **Column K** Service Credit (Earnings/Pay Rate/21.5 = Service Credit)

**Full Time Equivalent (FTE) = 1.000 Year Service Credit**

10 Month Contract = 1.000 year      1720 hours = 1.000 year      215 Days = 1.000 year

**Reference:** Government Code Section 20962

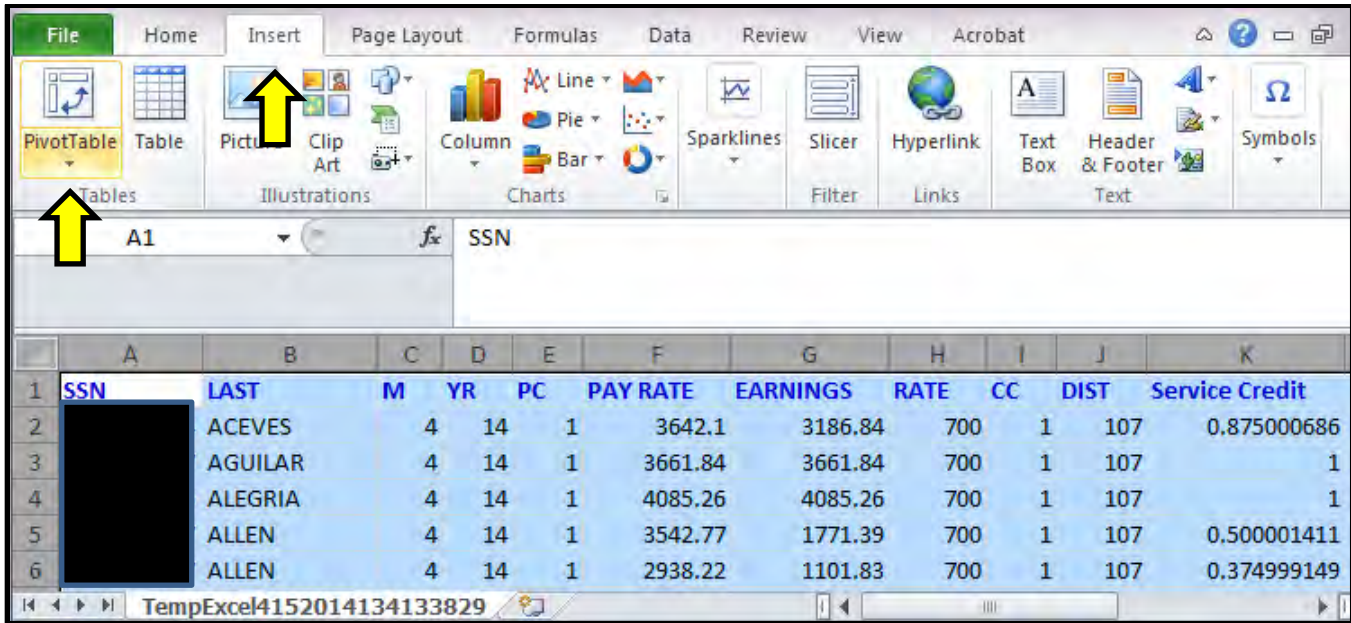
6. Turn OFF Filter, all Rows & Columns must have a value:

- Delete **Column L (Diff)**
- Select entire worksheet
- Pivot Table will detect Overtime Earnings which equals Excessive Service Credit

If 1 position is @ 100% FTE equal 1.00 Service Credit, all other earnings are over 1.00 are considered overtime therefore not-reportable to PERS.

If multiple Part-time and Hourly positions equal 1.0698 Service Credit it's OK, all other earnings over 1.0698 are considered overtime therefore not-reportable to PERS.

Click on **Insert** Tab, select **PivotTable**, and then click **OK**



Please follow the steps outlined below:

	A	B
1		
2		
3	Row Labels	Sum of Service Credit
4		0.875000686
5	ACEVES	0.875000686
6	107	0.875000686
7		1
8	ALEGRIA	1
9	107	1
10		0.87500056
11	ALLEN	0.87500056
12	107	0.87500056
13		1
14	AGUILAR	1
15	107	1
16	(blank)	
17	(blank)	
18	(blank)	
19	Grand Total	3.750001247

**Step 3:**  
Format Column B to 3 decimals

**Step 4:**  
Select entire worksheet  
Turn Filter ON then Filter by Column B:  
Sum of Service Credit Greater than 1.001

**Step 1 Select:**  
SSN  
LAST  
DIST  
Service Credit

These items automatically get dragged under:  
**Row Labels**

**Step 2 Drag:**  
Service Credit under **Values**, then click on drop down arrow & Add Value Field Setting to Service Credit (**Sum**)

## Glossary of School Business Terms

### **Adult Education**

Classes for students 18 or older offered by local high school districts. State law requires certain courses, including citizenship and English, be offered at no charge. Other classes may carry a fee.

### **California Public Employees Retirement System (CalPERS)**

Is an agency in the California executive branch that "manages pension and health benefits for more than 1.6 million California public employees, retirees, and their families".

### **California State Teachers' Retirement System (CalSTRS)**

Provides retirement, disability and survivor benefits for California's 852,316 prekindergarten through community college educators and their families. CalSTRS was established by law in 1913 and is part of the California State and Consumer Services Agency.

### **CalSTRS Match File Program**

This program provides the employer with a systematic, method for confirming CalSTRS membership data contained in the employer's payroll record. This is done each month, prior to finalization of employer payroll, before sending the Monthly Report of Retirement Contributions (F496) to CalSTRS. Using the Match File allows employers to minimize reporting errors and the extra work that results from incorrect membership data.

### **Certificated Employees**

Employees whom are required by the state to hold teaching credentials, including full-time, part-time, substitute or temporary teachers, and most administrators.

### **Classified Employees**

School employees who are not required to hold teaching credentials, such as secretaries, custodians, bus drivers and some management personnel are referred to as classified employees and are paid through a 2### object code.

### **Collective Bargaining SB 160 (1975)**

A California law which sets out the manner and scope of negotiations between school districts and employee organizations. The law also mandates a regulatory board.

**Cost of Living Adjustment (COLA)**

Is an increase in funding for LCFF or categorical programs. Current law ties COLAs to the Implicit Price Deflator for State and Local Government Purchase of Goods and Services for the United States, although different amounts are appropriated in some years.

**Deferred Pay**

Employees who work less than a 12 month fiscal year may elect to split their net pay over twelve months. This does not affect their gross wages or their taxable income.

**Defined Benefit Account (DB) CalSTRS**

An employer-sponsored retirement plan where employee benefits are sorted out based on a formula using factors such as salary history and duration of employment.

**Defined Benefit Supplemental Program Account (DBS) CalSTRS**

Assembly Bill 1509 (Chapter 74, Statutes of 2000) established the Defined Benefit Supplement Program. This is an additional benefit for active CalSTRS Defined Benefit Program members. It is designed to provide a lump-sum cash or monthly annuity benefit in addition to benefits from the DB program at no extra cost. AB 1509 required that 1/4 of an employee's 8 percent CalSTRS contribution be allocated to a new account from January 1, 2001 to December 31, 2010. At retirement, disability, death or six months following termination of CalSTRS-covered employment, the funds will be available to the employee or beneficiary, whichever is applicable.

**Disposable Wages or Net Pay**

The term Disposable Wages pertains to your net payroll after all Statutory Deductions have been deducted.

**Education Code**

The Education Code, along with additional regulations such as the California Administrative Code (Titles 5 and 8), the Government Code, and general statutes regulate public education in California.

**Employee Benefits**

Amounts paid by the school system on behalf of employees; these amounts are not included in the gross salary, but are over and above. They are fringe benefit payments and, while not paid directly to employees, they are still part of the cost of salaries and benefits. Examples are: group health or life insurance payments; Social Security taxes; contributions to employee retirement; Workers' Compensation payments; and payments made to personnel on sabbatical leave.



**Employer Circular E**

The Employers Tax Guide published by the Internal Revenue to communicate relevant tax information.

**Employer Information Circular (EIC)**

The method of communication published by California State Teachers Retirement System (Cal STRS)

**Employer Paid Member Contributions (EPMC)**

Effective October 22, 1999, California Public Retirement System (CalPERS) announced regulation sections 569 and 571 to include the new hire "time-in-grade" exception for the payment of Employer Paid Member Contributions (EPMC), and paying and reporting the value of EPMC, as requested by contracting agencies. This created a new option for employers of up to a five year vesting period to pay or report the value of EPMC for newly hired employees. Section 571 also includes a new special compensation item, often utilized by school employers, in the form of negotiated "off-salary-schedule pay" in lieu of pay increases. Section 573 clarifies compensation earnable for optional or elective members.

**Garnishments**

The most common type of garnishment, is the process of deducting money from an employee's monetary compensation (including salary), sometimes as a result of a court order. Wage garnishments continue until the entire debt is paid or arrangements are made to pay off the debt.

**Joint Powers Authority (JPA)**

School districts that have agreed to combine their powers and resources to work on their common problems.

**Joint School Districts**

School districts with boundaries which cross county lines.

**Local Educational Agency (LEA)**

LEA's include school districts, joint powers agencies, county offices of education, community college districts, and other educational agencies that have a separate board of governance.

**Public Employment Relations Board (PERB)**

Is a five member Board appointed by the Governor to regulate collective bargaining between school districts and employee organizations.

**Remote Employer Access Program (REAP) CalSTRS**

Is a valuable tool where all employers can access CalSTRS database to help resolve membership issues.

**ROC/P**

Regional Occupational Center/Program is established by a school district, group of districts, or county offices of education. The centers provide training for entry level jobs, counseling, and upgrading of skills for youths ages 16-18.

**Secure Employer Website (SEW) CalSTRS**

In May, 2007 CalSTRS announced a new site, Secure Employer Web Site, which changed the way employers submitted retirement files and received reports from CalSTRS.

**Standardized Account Code Structure (SACS)**

SACS was developed to establish a uniform chart of accounts statewide to improve data collection, reporting, transmission, accuracy, and comparability. SACS also meets federal compliance guidelines and ensures that LEA's comply with generally accepted accounting principles.

**Statutory Deductions**

The term Statutory Deductions pertains to payroll tax deductions that are taken from employee's gross income. These taxes are deducted from the gross pay amount before any additional voluntary deductions. The statutory/mandatory deductions taken from your payroll check are:

- Federal/State Income Taxes, Social Security/Medicare Taxes, Retirement (if applicable.)

**Voluntary Deductions**

Amounts taken from an employee's net pay after all statutory deductions:

- Medical/Dental Insurance, TSA's, Garnishments, Credit Unions and CTA's

**Workers' Compensation**

Workers' Compensation is a form of insurance providing wage replacement and medical benefits to employees injured in the course of employment in exchange for mandatory relinquishment of the employee's right to sue his or her employer for the tort of negligence.

**Resources District Business & Advisory Services**

**CalPERS**

CalPERS Website: <http://www.calpers.ca.gov/>

Phone number: 888-225-7377 or 888-Cal-PERS

Regional Office: 181 Metro Drive, Ste. # 520, San Jose, CA 95110

Main Office mailing address: P.O. Box 1982, Sacramento, CA 95812-1982

**CalSTRS**

CalSTRS Website: [www.calstrs.com](http://www.calstrs.com)

Access: <https://sew.calstrs.com>

Login help: 916-414-5450 or [EmployerHelp@calstrs.com](mailto:EmployerHelp@calstrs.com)