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Debra Duardo, M.S.W., Ed.D., *Superintendent*

June 3, 2024

TO: Business and Personnel Administrators
Chief Business and Chief Personnel Officials
HRS Coordinators
Los Angeles County K-12 School and Community College Districts,
Regional Occupational Centers/Programs (ROC/Ps), Charter Schools and
other Local Educational Agencies (LEAs)

FROM: Claudette Wiggan-Reid, CalPERS Retirement Systems Coordinator
District Personnel Information Services
Division of School Financial Services

SUBJECT: CalPERS Reporting Issues

This bulletin addresses how to report generic classified assignments and full-time pay rates for the California Public Employees' Retirement System (CalPERS).

Generic Classified Assignments

Districts and colleges have commonly used one generic classified assignment to pay multiple assignments. This practice is non-compliant with CalPERS laws and regulations. It is important that Job Titles (Job Classifications) accurately describe the duties being performed. In LACOE's Human Resource System (HRS), districts are using a single assignment to pay an employee for multiple jobs and overriding the pay rate for that period in order to pay the employee. Districts have continued this practice due to the HRS system's limitation, but the HCM system will not allow this practice. Districts should discontinue this in HRS.

Scenario: An employee works 50% full-time equivalent (FTE) as an Instructional Aide (20 hours per week), with a pay rate of \$20.00/hour. This person works as a substitute in a noon-duty position for 10 hours; the noon duty position has a \$15.00/hour pay rate on the Publicly Available Pay Schedule (PAPS).

Correct Set-up: The employee should have two separate assignments as follows:

- Assignment 1: Instructional Aide (prime job)
- Assignment 2: Noon-Duty Substitute

Each position falls into a separate group/class and must be paid and reported accordingly. The generic "Substitute" position encompasses responsibilities over various groups and/or classes. As

such, the “Substitute” position does not signify its own group or class and the pay rate associated with it cannot be reported to CalPERS. Any employees substituting for a specific position should have the pay rate and earnings associated with the pay rate listed on the Publicly Available Pay Schedule (PAPS) for that position.

Note: Additional hours worked in the primary position need to be paid through the primary position, not on an additional assignment, i.e., overtime job.

Full-Time Pay Rates

It is essential that pay rates are reported correctly because CalPERS uses the pay rate to calculate:

- Service credit – number of years an employee contributes to CalPERS
- Final Compensation – average pay rate
- Buy-Back monthly amount – members requesting to purchase service credit for non-member time worked, i.e., military, service prior to membership, etc...

Note: When CalPERS members request to buyback time for classified non-member service, CalPERS will require the district to provide the number of hours worked in specific job classifications.

The relevant Government Codes (GC) are:

20636.1(a), payrate is “...the normal monthly rate of pay...to **similarly situated members of the same group or class...**”

20636(e)(1), group or class of employment means “...a number of employees considered together because they share **similarities in job duties**, work location, collective bargaining unit, or other logical work-related grouping.”

CalPERS requires that pay rate:

Note: Full-time is 40 hours per week for schools or 173.33 hours per month.

- Is based on the full-time hours: An employee who is working part-time or full-time in the same position should be paid using the same full-time pay rate regardless of the number of hours worked. The employee in the provided example is working part-time in both positions. However, another employee who works full-time in these same positions must be paid using the same pay rates.
- Pay rate MUST be on a Publicly Available Pay Schedule (PAPS)
Pay rates for all district positions should be shown on the PAPS with time basis of monthly, daily, or hourly. *Refer to Informational Bulletin No. 5277, CalPERS Requirements for Publicly Available Salary Schedules dated October 7, 2020.*

- For substitute positions, the pay rate should match the group/class for that position. Employees substituting for a specific position should be paid using the associated pay rate as listed on the PAPS for that position.

In the scenario above, the employee should be paid as follows:

- Instructional Aide (prime job): Pay Rate = \$20, Hours = 20, Earnings = \$400
- Noon-Duty: Pay Rate = \$15, Hours = 10, Earnings = \$150

Full-Time Equivalent (FTE) calculator

The CalPERS website has a [full-time equivalent calculator](#) that can be used to assist in converting full-time pay rates showing the monthly, daily or hourly rates. The attachment to this bulletin provides instructions for locating the FTE Calculator.

Note: A CalPERS log-in and password are not required to access the FTE calculator.

Click [here](#) to access the FTE calculator.

Certificated CalPERS Members

Certificated employees who are eligible may elect to become CalPERS members instead of being members of California State Teachers' Retirement System (CalSTRS). These certificated CalPERS members are required to adhere to CalPERS reporting requirements. Therefore, only CalPERS Creditable Compensation and Special Compensation will be subject to contributions and reported to CalPERS for certificated CalPERS Members.

Compensation earnable [Government Code (GC) 20630(b)] clarifies that when compensation is reported to CalPERS, "...the employer shall identify the pay period in which the compensation was earned regardless of when reported or paid." GC 20631 allows employers, through agreement in a Memorandum of Understanding (MOU), to report equal payments. However, they must still report all compensation in the earned period. Compensation cannot be reported in months when not earned.

Per GC 20633 equal payments cannot be reported outside the appointment period when there is no service.

Bottomline: Earnings should be reported as earned. Members can only be reported during the months when they work. If employees work 10 months, they must be reported to CalPERS for 10 months and not spread across 11 or 12 months.

Upon completion of their contract, the employee will earn one year CalPERS service credit. Other assignments such as summer school and winter session, are not creditable to CalPERS.

Retired Annuitants

Retired Annuitants are CalPERS retirees who are currently receiving a monthly benefit check from CalPERS. When districts hire retirees to return to work, it is the district's responsibility to ensure that they are paid using the correct pay rates and are working in temporary positions rather than substitute/permanent positions.

Gov. Code section 21224 states:

“.... The compensation for the appointment shall not exceed the maximum monthly base salary paid to other employees performing comparable duties as listed on a Publicly Available Pay Schedule divided by 173.333 to equal an hourly rate. A retired person appointed pursuant to this section shall not receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the hourly pay rate. A retired annuitant appointed pursuant to this section shall not work more than 960 hours each fiscal year regardless of whether he or she works for one or more employers.

Retired annuitants must be compensated using pay rates that are displayed on the PAPS, they should not be in substitute/permanent positions and should not be paid special compensation items, i.e., longevity, shift, bilingual, etc...

Failure to comply with these laws may cause retirees to be subject to mandatory reinstatement into CalPERS membership.

If you have any questions regarding this bulletin, please contact: Claudette Wiggan-Reid at (562) 922-6565 or via email at Wiggan_Claudette@lcoe.edu.

Approved:

Nkeiruka Benson, Director

Division of School Financial Services

CWR:sm

Attachment

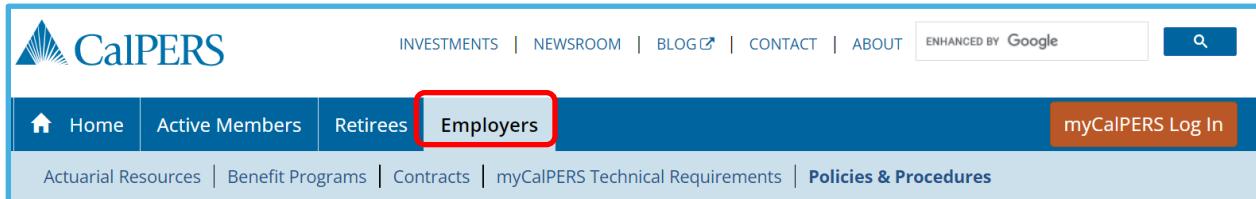
SFS-A58-2023-2024

Steps to Access the CalPERS FTE Calculator

Note: A CalPERS log-in and password are not required to access the FTE calculator.

Go to the CalPERS website: calpers.ca.gov

Click on the **Employers**:



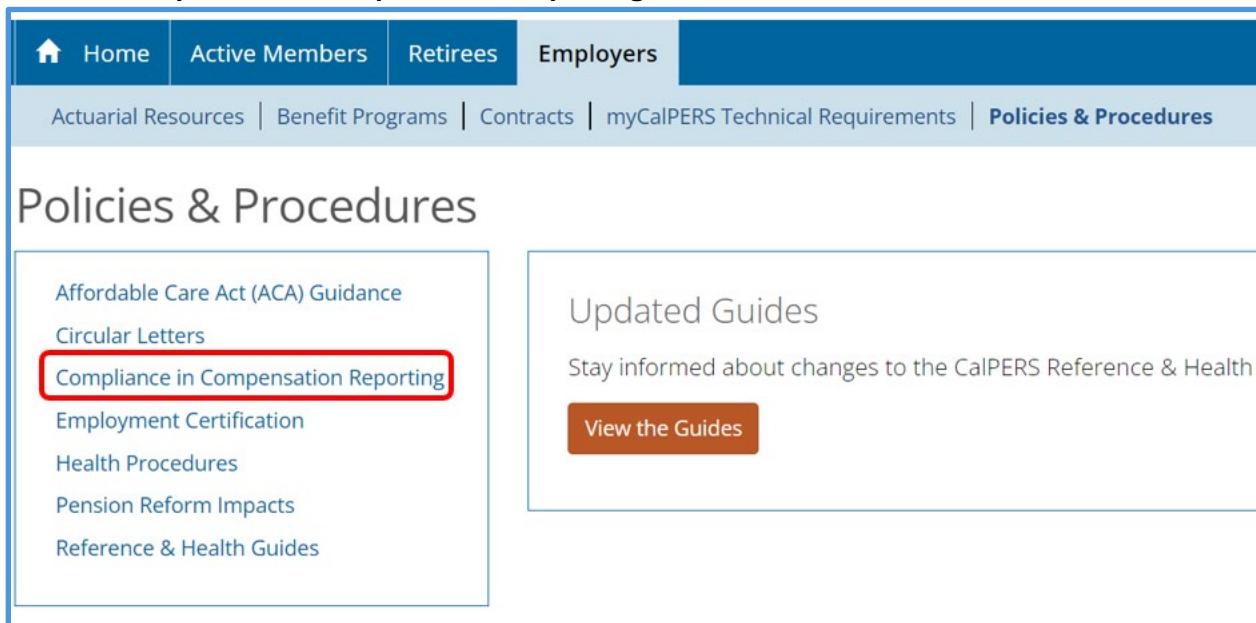
The screenshot shows the CalPERS website homepage. The top navigation bar includes links for INVESTMENTS, NEWSROOM, BLOG, CONTACT, and ABOUT, along with a search bar and a 'myCalPERS Log In' button. Below this is a secondary navigation bar with links for Home, Active Members, Retirees, and Employers. The 'Employers' link is highlighted with a red box. At the bottom of the page, there are links for Actuarial Resources, Benefit Programs, Contracts, myCalPERS Technical Requirements, and Policies & Procedures.

Click on the **Policies & Procedures**:



The screenshot shows the CalPERS website homepage. The top navigation bar includes links for INVESTMENTS, NEWSROOM, BLOG, CONTACT, and ABOUT, along with a search bar and a 'myCalPERS Log In' button. Below this is a secondary navigation bar with links for Home, Active Members, Retirees, and Employers. The 'Employers' link is highlighted with a red box. At the bottom of the page, there are links for Actuarial Resources, Benefit Programs, Contracts, myCalPERS Technical Requirements, and Policies & Procedures. The 'Policies & Procedures' link is highlighted with a red box.

Click on **Compliance in Compensation Reporting**:



The screenshot shows the 'Policies & Procedures' page. The top navigation bar includes links for Home, Active Members, Retirees, and Employers. Below this is a secondary navigation bar with links for Actuarial Resources, Benefit Programs, Contracts, myCalPERS Technical Requirements, and Policies & Procedures. The 'Employers' link is highlighted with a red box. The main content area is titled 'Policies & Procedures'. On the left, there is a list of links: Affordable Care Act (ACA) Guidance, Circular Letters, **Compliance in Compensation Reporting** (highlighted with a red box), Employment Certification, Health Procedures, Pension Reform Impacts, and Reference & Health Guides. On the right, there is a section titled 'Updated Guides' with a 'View the Guides' button.

Attachment to:
Info. Bul. No. 6849
SFS-A58-2023-2024

Steps to Access the CalPERS FTE Calculator

Click **Calculate Full-Time Equivalent (FTE) Pay Rate for Classified School Members**

Audit Compliance & Resolution

The CalPERS Audit Compliance & Resolution team assists employers to ensure compliant reporting. We provide direct service in reviewing labor policies, agreements, and pay schedules to determine if compensation can be reported for retirement benefits. Below are some helpful resources available to employers for various audit scenarios and resolutions, as well as references to applicable PERL, Gov. Codes, and CCRs:

- [+ Reporting Compensation](#)
- [+ Pay Schedules](#)
- [+ Calculate Full-Time Equivalent \(FTE\) Pay Rate for Classified School Members](#)
- [+ Sample Language](#)
- [+ Resources for Compliance](#)

Resources

[Publicly Available Pay Schedule Checklist](#)
[Publicly Available Pay Schedule Examples](#)
[Special Compensation Reportability Table](#)

Scroll down and click the button:

**FTE Pay Rate Calculator
(Classified School Members)**

Full-Time Equivalent Pay Rate Calculator (Classified School Members)

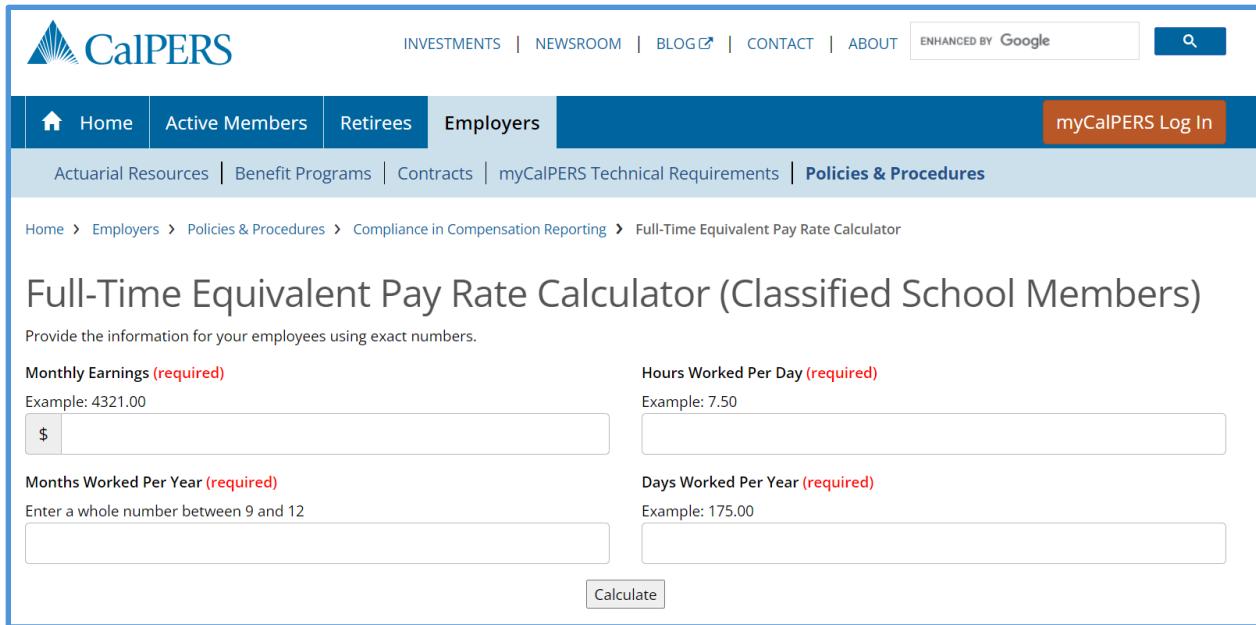
Terms of Use

The Full-Time Equivalent (FTE) Pay Rate Calculator is intended for classified school member employers to use for **confirmation purposes only**. For the calculator to compute an accurate FTE pay rate, you must input the **exact** monthly earnings, hours per week, months worked per year, and days worked per year. Any variation from the required information will result in an inaccurate calculation. The calculator was created to comply with [California Public Employees' Retirement Law \(PERL\)](#). If there is a conflict between PERL and the information you provided, the law takes precedence.

By accepting, I agree to the terms of use.

I Accept

Steps to Access the CalPERS FTE Calculator



The screenshot shows the CalPERS website with a blue header. The header includes the CalPERS logo, navigation links for INVESTMENTS, NEWSROOM, BLOG, CONTACT, and ABOUT, and a search bar. Below the header, a blue navigation bar has links for Home, Active Members, Retirees, Employers (which is the active tab), and myCalPERS Log In. A secondary navigation bar below the blue bar includes links for Actuarial Resources, Benefit Programs, Contracts, myCalPERS Technical Requirements, and Policies & Procedures. The main content area is titled "Full-Time Equivalent Pay Rate Calculator (Classified School Members)". It asks for monthly earnings, hours worked per day, months worked per year, and days worked per year. Each input field has an example value and a placeholder. A "Calculate" button is at the bottom. The entire page is framed by a blue border.

INVESTMENTS | NEWSROOM | BLOG | CONTACT | ABOUT ENHANCED BY Google

Home | Active Members | Retirees | **Employers** | myCalPERS Log In

Actuarial Resources | Benefit Programs | Contracts | myCalPERS Technical Requirements | **Policies & Procedures**

Home > Employers > Policies & Procedures > Compliance in Compensation Reporting > Full-Time Equivalent Pay Rate Calculator

Full-Time Equivalent Pay Rate Calculator (Classified School Members)

Provide the information for your employees using exact numbers.

Monthly Earnings (required)
Example: 4321.00

Hours Worked Per Day (required)
Example: 7.50

Months Worked Per Year (required)
Enter a whole number between 9 and 12

Days Worked Per Year (required)
Example: 175.00

Enter the required information.

Click **Calculate**.

The result will be display as follows:

Full-Time Equivalent Pay Rate Calculator (Classified School Members)

Based on the information provided, the employee's FTE pay rate is:

Monthly: \$ XXXX.XX

Daily: \$ XXX.XX

Hourly: \$ XX.XX

If the FTE provided by this calculator differs from the FTE you previously calculated, confirm the information was entered correctly and recalculate. If you require additional assistance, email MOU_Review@calpers.ca.gov or call 888 CalPERS (888-225-7377).