



Direct Reporting and Full Enforcement

EAC - August 7, 2013

CALSTRS CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM

Direct Reporting

- Three new direct reports for 2013/2014 fiscal year
- Direct reporting requirements updated and available in the Secure Employer Website
- Districts interested in direct reporting for the 2014/2015 fiscal year can send an inquiry to employerhelp@calstrs.com

Full enforcement as of August 1, 2013:

- **MO-B051** - Pay Code altered (current and previously reported Pay Rate match) (Not Employer Approvable)
- **MO-B060** – Negative adjustment received subsequent to a REFUND/DEATH (Employer Approvable)
- **MO-B062** - Adjustment results in a negative Earning, Contribution or service credit balance for service period range (Not Employer Approvable)
- **MO-B063** – Negative adjustment received subsequent to a CalSTRS benefit effective date (Employer Approvable)
- **MO-B065** - Year to date service credit excessive (Employer Approvable)
- **MO-B067** - Pay Rate adjustment alters earned to earnable ratio for the service period range (Not Employer Approvable)*
- **MO-B103** - Service credit is excessive for the service period range (Employer Approvable)

Why full enforcement?

- **The Penalty and Interest Regulation Compliance (PIRC) project enacted a number of enhancements to the business rules**
- **After PIRC, CalSTRS monitored the business rules and sought feedback from employers to identify issues/cases that impeded enforcement**

Full enforcement – business rule analysis

- **CalSTRS met with a handful of Report Sources to assess readiness for full enforcement and solicit issues**
 - Concern over MO-B103 error volume
 - No cases found where the business rule is not working appropriately
- **CalSTRS solicited issues/cases from Employers at past Employer Advisory Committee meetings**
 - No issues/cases found where the business rule is not working appropriately

Full enforcement – business rule changes

- **MO-B067 (pay rate adjustment alters earned to earnable ratio)**
 - **No longer employer approvable**
 - Analysis of reporting did not find any cases where an approval is valid

Full enforcement – business rule changes

- **MO-B103 (service credit excessive for service period range)**
 - **Tolerance raised from .15 for non community colleges and .20 for community colleges to .20 and .25 respectively**
 - Analysis of reporting revealed most lines correctly reported
 - Results in 60% reduction of errors
 - **System enhancement to remove prorating from edit**
 - Results in 20% reduction of errors

More on the MO-B103 business rule

- **Common errors:**

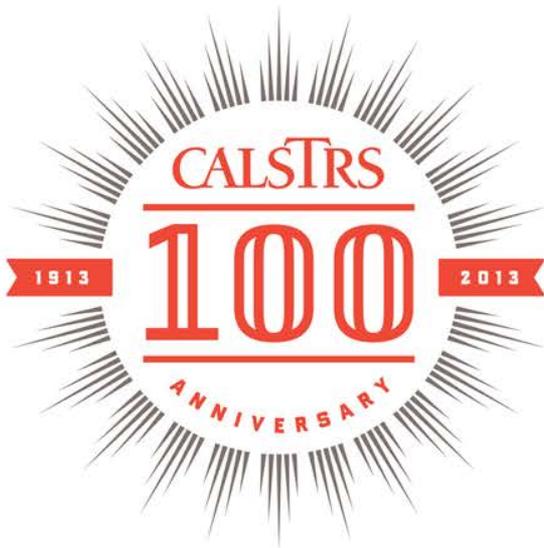
- Mis-calculating the compensation earnable for part-time and summer school service. The compensation earnable should be based on the full-time equivalent for the position
- Using incorrect pay codes (e.g., reporting an annual pay code instead of a monthly pay code)
- Combining multiple month earnings into one monthly period

Resources:

- F496 file specification within the reference item section of the Secure Employer Website
 - Details on every business rule/edit applied to F496 files

Questions??

CALSTRS



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