



CALSTRS®

Employer Reporting to Final Benefit Project Update

Regular Meeting
November 5, 2021

Project Origin

December 2020 Teachers' Retirement Board meeting legislative proposal that would have:

- Partially reassigned responsibility for repaying overpayments in cases of employer error
- Extended the time for collection in cases of member fraud or misrepresentation
- Clarified the statute of limitations for collecting overpaid benefits

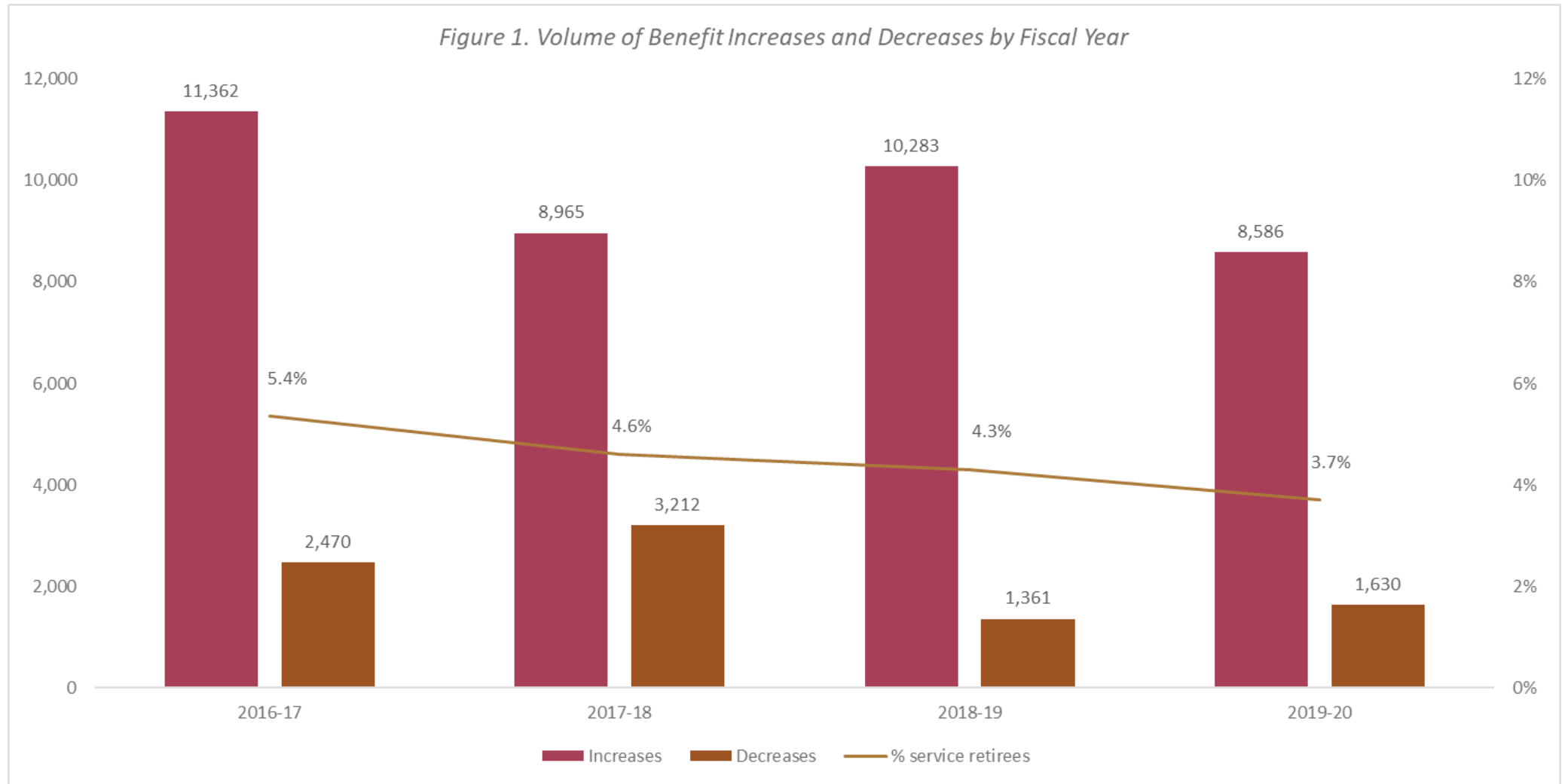
The Board instructed staff to continue working on the proposal.

Project Approach

To fully address all aspects of reducing the risk of overpayments, Executive sponsorship created the Employer Reporting to Final Benefit project to include:

- Operational improvements
- Enhanced employer information
- Legislation and regulations

Background and Context: Benefit Adjustment Volume



Operational Improvements

Workstream	Planned or Completed Outputs
Quality Assurance	New or enhanced pilot business processes: <ul style="list-style-type: none">- Six-month audit follow-up- Formal quality management for inquiries- Pre-retirement active member data analysis- Pilot contract/bargaining agreement review for sample population
Audit Reporting	External-facing website to publish audit information and improved internal audit review processes.

Enhanced Employer Information

Workstream	Planned or Completed Outputs
Evaluation of Laws and Regulations	Proposals to clarify regulations or statute that will follow the established regulatory and legislative proposal process.
Employer Information	Enhanced and/or additional training materials and job aids.

Updated Legislation and Regulations

Workstream	Planned or Completed Outputs
Benefit Finalization and Overpayment Liability	Proposals to reduce unexpected benefit changes after retirement, clarify the statute of limitations for collections and other potential proposals where appropriate.
Audit Appeals Regulations	New regulations for the employer audit appeal process.

Stakeholder Engagement and Governance

These workstreams form the foundation for ensuring adequate stakeholder outreach with updates and outputs, and how the project organizes itself and efficiently escalates required decisions to sponsors.

Planned Output	Meetings with member and employer groups, receiving feedback, consistent decision-making process.
Planned Outcome	Increased engagement and understanding of changes, improvements and output, and organized decision documents and deliverables.

Next Steps

- **Continue preparing creditable compensation and service regulatory updates**
- **Continue engagement with member and employer groups on legislative concepts, including statute of limitations**
- **Finalize audit appeals regulations**
- **Implement and monitor proof of concept processes to identify those with the highest benefit**
- **Continue exploration of operational improvements**