

CALSTRS

Precedential Decisions and Designation Process

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What is a “Precedential Decision”?

- A precedential decision identifies a principle or rule concerning important legal or policy issues established in a previous legal case that is binding or persuasive in subsequent cases.
- Appeals Committee decisions that have been designated as precedential are binding in all future administrative adjudications. They are persuasive authority in the courts.

Authority for Designating Precedential Decisions

- Appeals Committee Charter
- Government Code section 11425.60
- Board Governance Manual

Authority for Designating Precedential Decisions

- Appeals Committee Charter

Authority

“To designate all or a part of an administratively adjudicated decision as a Precedential Decision pursuant to the board policy on Designating Precedential Decisions and Government Code section 11425.60.”

Responsibility

“To hear, deliberate upon, and expeditiously decide to designate all or part of an administratively adjudicated decision as a Precedential Decision pursuant to the board policy on Designating Precedential Decisions and Government Code section 11425.60.”

Authority for Designating Precedential Decisions

- Government Code section 11425.60
 - A decision may not be expressly relied on as precedent unless it is designated as a precedent decision by the agency.
 - An agency may designate as a precedent decision a decision or part of a decision that contains a significant legal or policy determination of general application that is likely to recur.

Authority for Designating Precedential Decisions

- Board Governance Manual, Section 7.D.
 - Recommended by the assistant general counsel
 - Committee may designate all or part of a decision previously adopted by it as a precedential decision
 - Must meet the following criteria:
 - Significant legal or policy determination;
 - Reflects a rule of general application; and
 - Relates to a legal or policy issue that is likely to recur in the future

Authority for Designating Precedential Decisions

- Board Governance Manual, Section 7.D.

A designated precedential decision must contain the following statement at the bottom of the decision:

Pursuant to Government Code section 11425.60, this decision [or the following part of this decision] is designated as a Precedential Decision.

Once a decision or part of a decision has been designated as a precedential decision, it is binding in future administrative adjudications unless the Appeals Committee rescinds the designation.

Precedential decisions are not binding on the courts, but persuasive.


Authority for Designating Precedential Decisions

- Board Governance Manual, Section 7.D.

Every precedential decision must be added to an index containing all of CalSTRS' precedential decisions, updated at least annually, made available to the public on the CalSTRS website, and publicized annually in the California Notice Registry.

Index of CalSTRS Precedential Decisions

For accessible versions of files on this page, contact ADACoordinator@CalSTRS.com.

 [Precedential Decision No. 19-02, effective December 5, 2019](#)

In the Matter of the Statement of Issues Against: Walnut Creek School District.

 [Precedential Decision No. 19-01, effective March 29, 2019](#)


In the Matter of the Statement of Issues Against: Stanislaus County Office of Education.

 [Precedential Decision No. 18-03, effective July 18, 2018](#)

In the Matter of the Statement of Issues for Retirement Benefits (Disability Retirement Effective Date): Marc Bashara.

 [Precedential Decision No. 18-02, effective February 9, 2018](#)


In the Matter of Request for an Entitlement to Lynne Lowe's Defined Benefit Account, by Eugene Stisser.

 [Precedential Decision No. 18-01, effective February 9, 2018](#)

In the Matter of the Statement of Issues Against: Barbara Pahre.

 [Precedential Decision No. 14-02, effective September 4, 2014](#)

In the Matter of the Retirement Benefits of Margaret Deetz.

 [Precedential Decision No. 14-01, effective June 5, 2014](#)

In the Matter of the CalSTRS' Denial to Base One Year Final Compensation on Earnings for the Period of February 1, 2003 through January 31, 2004 of Michael Janvier.

In the Matter of the CalSTRS' Denial to Base One Year Final Compensation on Earnings for the Period of February 1, 2003 through January 31, 2004 of Michael Janvier (effective June 5, 2014)

- Final compensation for members with less than 25 years of credited service is calculated per Education Code section 22134 (final compensation is the highest average annual compensation earnable during any period of 3 consecutive school years).
- Final compensation for members with more than 25 years of credited service is calculated per Education Code section 22134.5 (final compensation is the highest average annual compensation earnable during any period of 12 consecutive months).
- If service credit for a school year is less than 1.000, compensable earnable shall be the quotient obtained when creditable compensation paid in that year is divided by the service credit for that year pursuant to Education Code section 22115, subdivision (c).

In the Matter of the Retirement Benefits of Margaret Deetz (effective September 4, 2014)

- Under Education Code section 22119.2, subdivision (f), an increase in compensation that is inconsistently treated throughout a member's career or for the position is creditable only to the Defined Benefit Supplement account and not to the Defined Benefit account.
- An increase in compensation determined to be for the performance of additional duties is creditable to the Defined Benefit Supplement account because it is in excess of full-time salary in a full-time position.
- Laches is inapplicable because CalSTRS acted diligently once it learned of the overpayments.

In the Matter of the Statement of Issues Against: Barbara Pahre (effective February 9, 2018)

- The annual salary increase received by the member represented additional compensation for services that exceeded a full-time position, and therefore should be excluded from the calculation of her Defined Benefit retirement allowance under Education Code section 22703.
- An annual salary increase that was more than three times that which was previously received by the member did not represent consistent treatment of compensation throughout her career or for the position, and therefore should also be excluded from the Defined Benefit calculation under section 22119.2.

In the Matter of Request for an Entitlement to Lynne Lowe's Defined Benefit Account, by Eugene Stisser (effective February 9, 2018)

- A surviving spouse of a deceased CalSTRS member is not entitled to an option benefit if the member did not elect the spouse as an option beneficiary prior to death.
- A surviving spouse is not entitled to a refund of a member's Defined Benefit account contributions if there was an option election in effect, including an option election for the member's former spouse pursuant to a court order.
- A surviving spouse is not entitled to a family allowance if the surviving spouse does not meet the definition of "spouse" under Education Code section 22171.
- CalSTRS cannot assume the intent of a deceased member in electing an option beneficiary and for a specific option selection, and cannot put an option into effect, when it did not receive anything from the member evidencing a decision to elect an option beneficiary and the amount of that option. Even if there is sufficient evidence of such intent, statutory requirements, including relating to use of the appropriate form, completion, timeliness, and receipt of form, must be met.
- CalSTRS does not have a duty to advise its members as to what decisions to make regarding their benefits or to ensure a member completed option beneficiary documents, but only to inform its members of the core elements of the pension plan.

In the Matter of the Statement of Issues for Retirement Benefits (Disability Retirement Effective Date): Marc Bashara (effective July 18, 2018)

- The term “mental incompetency” is not defined in the Education Code so the term should be construed using its plain-meaning definition.
- The “mistake,” “inadvertence,” “surprise,” and “excusable neglect” utilized in Education Code section 22308 (correction of errors or omissions) are as defined in Code of Civil Procedure section 473. Failing to timely apply for disability retirement is not an omission resulting from mistake, inadvertence, surprise, or excusable neglect.
- Education Code section 22250 (fiduciary duty towards members and beneficiaries) does not confer an affirmative duty on CalSTRS to have a mental health professional diagnose the member or to investigate whether a member is mentally incompetent. Instead, it is the responsibility of the member to establish eligibility for disability retirement and to establish mental incompetency to the satisfaction of the board.

In the Matter of the Statement of Issues Against: Stanislaus County Office of Education (effective March 29, 2019)

- The language of Education Code section 22905, subdivision (b)(3) is clear and requires that compensation payable for a specified number of times as limited by law, a collective bargaining agreement, or an employer agreement must be reported to the Defined Benefit Supplement account.
- The creditable compensation regulations (California Code of Regulations, title 5, section 27400 *et seq.*), which became operative in 2015, were not being applied retroactively and those regulations merely interpreted, and did not change, the law that existed at the time.
- The doctrine of equitable estoppel should only be applied against a governmental entity only in “rare circumstances” and when it would not be averse to public interest or policy.

In the Matter of the Statement of Issues Against: Walnut Creek School District (effective December 5, 2019)

- Education Code section 22905, subdivision (b)(3) is plain and ambiguous, and requires that compensation payable for a specified number of times as limited by law, a collective bargaining agreement, or an employer agreement be reported to the Defined Benefit Supplement account.
- The creditable compensation regulations (California Code of Regulations, title 5, section 27400 et seq.), which became operative in 2015, were not applied retroactively and only clarified existing law on the topic
- The doctrine of equitable estoppel cannot be invoked, even if the elements of equitable estoppel are satisfied, when doing so would contravene a statutory limitation and provide for an unauthorized benefit.
- Education Code section 22308, subdivision (c) does not vest the CalSTRS Board with the authority to correct an error in a manner that would confer a pension benefit to which a member is not entitled.

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