

CalSTRS board policy empowers the Chief Executive Officer to discharge debts as governed under Article 16 of the California Constitution and Education Code Section 22308, which establishes CalSTRS write-off authority. CalSTRS reports write-off activity to the board semi-annually via web-posted reports. The tables below summarize write-offs processed for the period from January 1, 2022 to June 30, 2022. During this period, CalSTRS discharged 3,844 pension receivables amounting to \$4,183,745. There were no administrative write-offs and no investment receivable write-offs during the period.

The value of pension receivables discharged during this period represents 14.4% of the total outstanding balance of \$29.0 million for pension receivables as of June 30, 2022. CalSTRS maintains a provision for uncollectible receivables. The provision as of June 30, 2022 is \$8.5 million.

The largest pension receivable write-off during this six-month period was \$1.66 million due to legacy data of approximately 8,000 member accounts reviewed back in 2017 by CalSTRS Data Preparation Focus Group. The findings of the review required retroactive adjustments to benefits. A cost/benefit and impact analysis of making the adjustments was conducted and it was determined to not adjust the benefits and to recognize the overpaid benefits portion as a write off over the remaining actuarial life expectancy of the impacted members (21 years remaining).

<b>PENSION RECEIVABLE WRITE-OFFS BY VALUE</b>		
<b>DOLLAR VALUE RANGE</b>	<b>COUNT</b>	<b>VALUE</b>
Greater Than \$500,000	1 <sup>a</sup>	\$1,659,768
\$5,001 and above	59	\$2,389,129
\$501 to \$5,000	97	\$146,699
\$0.01 to \$500	3,687 <sup>b</sup>	(\$11,851)
<b>TOTAL WRITTEN-OFF:</b>	<b>3,844</b>	<b>\$4,183,745</b>

<b>PENSION RECEIVABLE WRITE-OFFS BY REASON</b>		
<b>REASON</b>	<b>COUNT</b>	<b>VALUE</b>
Overpaid benefits - Data Preparation Focus Group	1 <sup>a</sup>	\$1,659,768
Application of the three-year statute of limitations, Ed. Code sections 22008(b) and (c)	203	\$537,733
Discharge of debt based on cost/benefit of collections	3,629	\$1,821,690
Legal settlement, executive review, or decision adopted from an administrative law judge	11	\$164,554

<sup>a</sup> This amount represents the current year overpayment that is not collectable for the approx. 8,000 member accounts reviewed back in 2017 by the Data Preparation Focus Group.

<sup>b</sup> During the period, CalSTRS recovered \$35,917 from previously written off receivables, with a total count of 1,123. The total of recovered amount is higher than the current period write-off amount resulting in a net recovery in this category.



**Pension, Administrative and Investment Receivable Write-Offs**

January 1, 2022 to June 30, 2022

<b>PENSION RECEIVABLE WRITE-OFFS BY REASON</b>		
<b>TOTAL WRITTEN-OFF:</b>	<b>3,844</b>	<b>\$4,183,745</b>

<b>ADMINISTRATIVE RECEIVABLE WRITE-OFFS</b>		
	<b>COUNT</b>	<b>VALUE</b>
<b>TOTAL WRITTEN-OFF:</b>	<b>0</b>	<b>\$0</b>

<b>INVESTMENT RECEIVABLE WRITE-OFFS</b>		
	<b>COUNT</b>	<b>VALUE</b>
<b>TOTAL WRITTEN-OFF:</b>	<b>0</b>	<b>\$0</b>

<b>GRAND TOTAL</b>	
Total Pension, Administrative and Investment Receivable Write-Offs: January 1, 2022 to June 30, 2022	<b>\$4,183,745</b>