AB 1452 Membership Cleanup
Objectives

- Explain CalSTRS Defined Benefit membership
- Recognize the changes to CalSTRS Defined Benefit membership in the education code
Defined Benefit Membership

A CalSTRS member:

- Employed by an employer
- Performs creditable service
- Mandates or permissively elects
Defined Benefit Membership

County Office of Education
PreK-12
Charter Schools
Mandating into Defined Benefit Membership

Full-time Contract

Membership begins the first day of employment

Multiple part-time positions do not add up to a full-time position for mandatory membership
Mandating into Defined Benefit Membership

50% or More of a Full-time Contract

December 31, 2019 and Prior
Membership begins the first day of the following pay period

Effective January 1, 2020
Membership begins the first day of employment

Education Code 22502(a)
Thresholds to Mandate into Defined Benefit Membership

Substitute Positions

Must perform 100 days of creditable service for the same employer in the same fiscal year.

Upon performing 100 days of creditable service, their membership begins on the first day of the following pay period.

Education Code 22503
Thresholds to Mandate into Defined Benefit Membership

Part-time Hourly Positions

Must perform 60 hours of creditable service for the same employer in a single pay period

Upon reaching the 60 hour threshold, the employee’s membership will begin the first day of the following pay period

Education Code 22504 (a)
Thresholds to Mandate into Defined Benefit Membership

Part-time Daily Positions

- Must perform 10 days of creditable service for the same employer in a single pay period
- Upon reaching the 10 day threshold, the employee’s membership begins on the first day of the following pay period
Defined Benefit Membership

Community College Districts
Mandating into Defined Benefit Membership

Non-temporary

December 31, 2019 and Prior
If hired in a non-temporary position membership begins the first day of the following pay period

Effective January 1, 2020
Membership begins the first day of employment

Education Code 22502(b)
An employee who accepts a position under Education Code sections 87474, 87478, 87480, 87481, 87482, or 87482.5 is excluded from mandatory membership.
Defined Benefit Membership

All Employers
Positions Excluded from Defined Benefit Membership

Education Code 22601

- Exchange Teachers
- Sojourn Teachers
Permissive Election of Defined Benefit Membership

Nonmembers can permissively elect membership at any time while employed to perform creditable service.

- Substitute
- Part-time hourly
- Part-time daily
- Less than 50% of a full-time contract
- Temporary at a CCD

Education Code 22515
Permissive Election of Defined Benefit Membership

Employers are required to give new hires a Permissive Membership (ES 350) form within 30 days of hire.

The form must be received by CalSTRS within 60 days of the member’s signature.

Education Code 22455.5(b) and 22515
Permissive Election of Defined Benefit Membership

The member is eligible to elect a membership date that is no earlier than the first day of the pay period in which the election is made or the date of hire, whichever is later.

Once membership with the Defined Benefit program is elected all creditable service requires Defined Benefit coverage.

Existing Cash Balance accounts and alternative retirement program accounts should be closed.
AB 644 Creditable Compensation Cleanup
Objectives

Define “Annualized Pay Rate”

Recognize the changes to creditable compensation in the education code
New Definition

“Annualized Pay Rate”

The salary or wages a person could earn during a school term for a creditable service assignment if that assignment was performed on a full-time basis.

For outgrowth, the annualized pay rate would be the lowest annualized pay rate of the other creditable service activities performed by the member for the same employer in the same school year.
Creditable Compensation for CalSTRS 2% at 60
Creditable Compensation 2% at 60

Creditable Compensation is:

Paid in cash by an employer to all in the same class of employees for performing creditable service in that position

- Salary or wages paid in accordance with a publicly available written contractual agreement

- Remuneration that is paid in addition to salary, provided it is paid to all persons who are in the same class of employees in the same dollar amount, in the same percentage of salary or the amount being distributed

Education Code 22119.2
Creditable Compensation 2% at 60

Included within Creditable Compensation is:

1. Pay for the use of sick leave, vacation leave or employer-approved compensated leave of absence

2. Member contributions that are picked up by the employer

Education Code 22119.2
Creditable Compensation 2% at 60

Included within Creditable Compensation is:

3. Amounts deducted from a member’s remuneration including: participation in a deferred compensation plan, to purchase an annuity contract, tax-deferred retirement plan, insurance program, etc.

4. Any other payments the board determines to be “creditable compensation”
Creditable Compensation for CalSTRS 2% at 62
Creditable Compensation is:

Paid in cash by an employer for performing creditable service in that position each pay period the creditable service was performed.

Salary or wages

Remuneration that is paid in addition to salary, only if it is paid to all in the same class of employees in the same dollar amount, in the same percentage of salary or amount being distributed.
Creditable Compensation 2% at 62

Included within Creditable Compensation is:

1. Pay for the use of sick leave, vacation leave or employer-approved compensated leave of absence

2. Member contributions that are picked up by the employer

Education Code 22119.3
Creditable Compensation 2% at 62

Included within Creditable Compensation is:

3. Amounts deducted from a member’s remuneration including: participation in a deferred compensation plan, to purchase an annuity contract, tax-deferred retirement plan, insurance program, etc.

4. Remuneration that is paid for creditable service that exceeds one year in a school year

Education Code 22119.3
AB 1505 Charter School Requirements
Objective

Identify the changes to the charter school minimum requirements for creditable service
Minimum Requirements for Creditable Service at Charter Schools

Must be under the provisions of an approved charter that is eligible to receive state apportionment
Minimum Requirements for Creditable Service at Charter Schools

June 30, 2020 and Prior

Core and college preparatory teachers are subject to CTC requirements

Noncore, noncollege preparatory teachers and non-teaching positions are not subject to CTC requirements

Education Code 47605(l)
Minimum Requirements for Creditable Service at Charter Schools

Effective July 1, 2020

Teachers are subject to CTC requirements

Non-teaching positions are not subject to CTC requirements

Education Code 47605(l) and 47605.4