

# Creditable compensation regulations

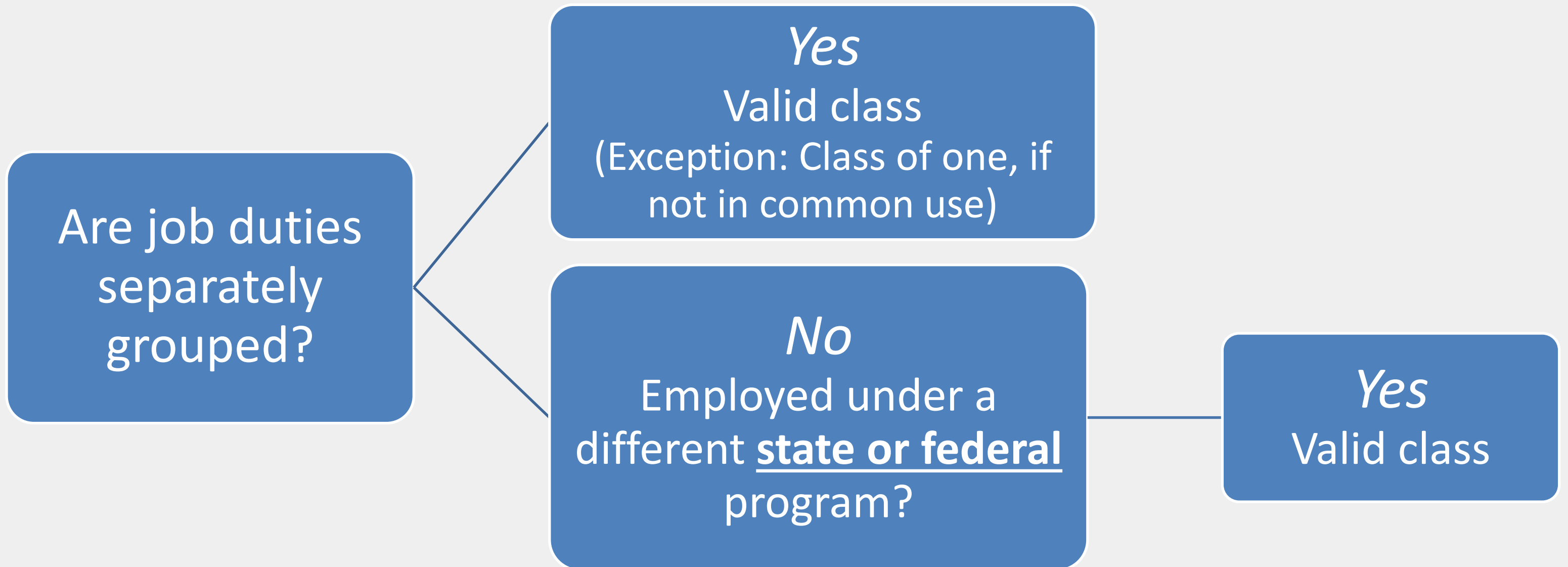
Employer Advisory Committee

May 6, 2016

## Creditable compensation regulations overview

- Effective January 1, 2015
- Apply to CalSTRS 2% at 60 members
- Clarify Education Code provisions related to:
  - Class of employees
  - Creditable compensation
  - Reporting to the DB and DBS programs
  - How inconsistent compensation is adjusted

## Class of employees



## Class of employees: Proposed solution

- Make employment in LCAP-established program an acceptable basis for forming a separate class of employees.

## Definition of “salary”

- Paid for creditable service
- “Salary” per written agreement
- Basis of future pay increases
  - Exception: **Outgrowth activities**

$$\frac{\textit{Earned salary}}{\textit{Earnable salary}} = \text{Service credit}$$

## “Salary”: Proposed solution

- Exempt **mentoring activities** from the requirement that salary must be the basis of future pay increases.

## Next steps

- September 2016: Teachers' Retirement Board meeting
- Mid September–early November: 45-day public comment period
- If no additional comment periods are needed:
  - February 2017: Teachers' Retirement Board can consider adoption
  - July 2017: Target effective date

Questions or comments:  
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