

CALSTRS

CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM

Excess Contributions Survey

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Excess Contributions – AB1469

- Changed the contribution rate for Defined Benefit (DB) only.
- Defined Benefit Supplement (DBS) contribution rate remains:
 - Employer rate: 8.25 percent
 - Member rate: 8 percent
- As DB contribution rates change, excess contributions are generated as contributions move from DB to DBS.



Employer Feedback – Administrative & Resource Challenges

- Location of separated (terminated/retired) members
- Tax reconciliation:
 - Determining withholding amounts
 - Processing W-2s
- Return of minimal amounts
- Research efforts
- Time to process



Path Forward – CalSTRS Data Collection

- Number of members receiving returned excess contributions
 - Active, Inactive, Retired
- Average amount of excess contributions returned
 - Ranges (for example, 1 to 5 cents, +/- \$1.00, etc.)



Path Forward – Employer Data Collection

- Resources required for processing
 - Time and costs to process
 - Checks and stale-dated checks
 - W-2s
 - Level of effort for locating separated members
- Preferred method of processing
 - Timing
 - Thresholds
 - Other ideas/suggestions



Potential Next Steps

- CalSTRS:
 - Begin internal data collection
 - Send questions out to employers
 - Compile data
- Employers:
 - Begin collection of requested data
 - Provide data to CalSTRS



Questions?

