

CALSTRS

# Enrollment in CalSTRS Benefit Programs Employer Directive 2018-04

Presented by Member Account Services

November 1, 2018



C A L I F O R N I A   S T A T E   T E A C H E R S '   R E T I R E M E N T   S Y S T E M

## Directive ED2018-04

- Permissive Election of Membership.
- Cash Balance Benefit Program.
- Retirement System Elections
- Sustainability.



California State Teachers'  
Retirement System  
Executive Office  
PO Box 15275  
Sacramento, CA 95851-0275  
www.CalSTRS.com

September 19, 2018

TO: All County Superintendents of Schools  
District Superintendents of Schools  
Community College Districts  
Charter Schools

FROM: Jack Ehnes  
EXECUTIVE OFFICE

SUBJECT: Employer Directive 2018-04  
Enrollment in CalSTRS Benefit Programs

**PURPOSE:**

This directive provides information related to membership in the Defined Benefit Program, participation in the Cash Balance Benefit Program and elections regarding other public retirement systems. Information provided is inclusive of amendments enacted by Senate Bill 1165 (Chapter 416, Statutes of 2018).

**SCOPE:**

This directive contains information for county superintendents of schools, school districts, charter schools, community college districts and any agency that employs persons to perform creditable service under the CalSTRS Defined Benefit, Defined Benefit Supplement and Cash Balance Benefit programs.

**DISCUSSION:**

This directive supersedes any previous information provided by CalSTRS related to the following:

- Membership in the CalSTRS Defined Benefit Program
- Participation in the CalSTRS Cash Balance Benefit Program
- Retirement System Election

Any time information related to one of these topics changes, this entire directive will be superseded with an updated version so that employers only have to access one document for enrollment information related to CalSTRS' benefit programs.

**ACTION**

Review pages 4-22 and the "Action" sections listed throughout the document. Pages 2-3 will help you navigate the information provided.

If you have any questions regarding this Employer Directive, please contact your Employer Services Representative at [EmployerHelp@CalSTRS.com](mailto:EmployerHelp@CalSTRS.com) or 877-227-5778.

This Employer Directive does not take precedence over the law.

**Our Mission:** *Securing the Financial Future and Sustaining the Trust of California's Educators*

## Permissive Election of Membership

- Employer notifies employee within 30 days of hire.
- Effective January 1, 2019.
  - Election can be no earlier than the 1<sup>st</sup> day of the pay period.
  - CalSTRS must receive form within 60 days member's signature date.

### Permissive Membership

ES 0350 rev 02/17

**PERMISSIVE MEMBERSHIP ELECTION AND ACKNOWLEDGEMENT OF RECEIPT OF CALSTRS DEFINED BENEFIT PROGRAM MEMBERSHIP INFORMATION**

Employees who are employed to perform creditable service, but who are excluded from mandatory membership pursuant to Education Code sections 22801.5, 22802, or 22804, are eligible to permissively elect membership in the California State Teachers' Retirement System (CalSTRS) Defined Benefit Program pursuant to Education Code section 22515. This form enables eligible employees to make this election or decline to make this election. This form must be received by CalSTRS within 30 days of the date on which the employee signs and dates the form. Contributions may not be submitted to the system until CalSTRS has received the completed election form. If the employee elects membership in the CalSTRS Defined Benefit Program, the membership date shall be the first day of the pay period following the date on which the employee signs and dates this form.



California State Teachers' Retirement System  
P.O. Box 15275, MS 17  
Sacramento, CA 95811-0275  
800-228-6453  
CalSTRS.com

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**Section 1: Employee Information, Election and Certification (to be completed by employee)**

NAME (LAST, FIRST, MIDDLE INITIAL)	CLIENT ID OR SOCIAL SECURITY NUMBER
MAILING ADDRESS	HOME TELEPHONE
CITY, STATE and ZIP CODE	GENDER (circle one) MALE                  FEMALE
E-MAIL ADDRESS	BIRTH DATE (MM/DD/YYYY)

I elect membership in CalSTRS Defined Benefit Program  
I understand this membership election is irrevocable and applies to all future employment to perform creditable service with the same or another employer, and may be canceled only by terminating all such employment and receiving a refund of my accumulated retirement contributions from CalSTRS.

I decline membership in CalSTRS Defined Benefit Program at this time  
I understand I can elect membership in the Defined Benefit Program at any time while I am employed to perform creditable service.

I certify I have received information from my employer concerning the CalSTRS Defined Benefit Program and understand the criteria for membership in the program.  
I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering or receiving a benefit administered by CalSTRS and it may result in up to one year in jail and/or a fine of up to \$5,000 pursuant to Education Code section 22010.

EMPLOYEE SIGNATURE	DATE
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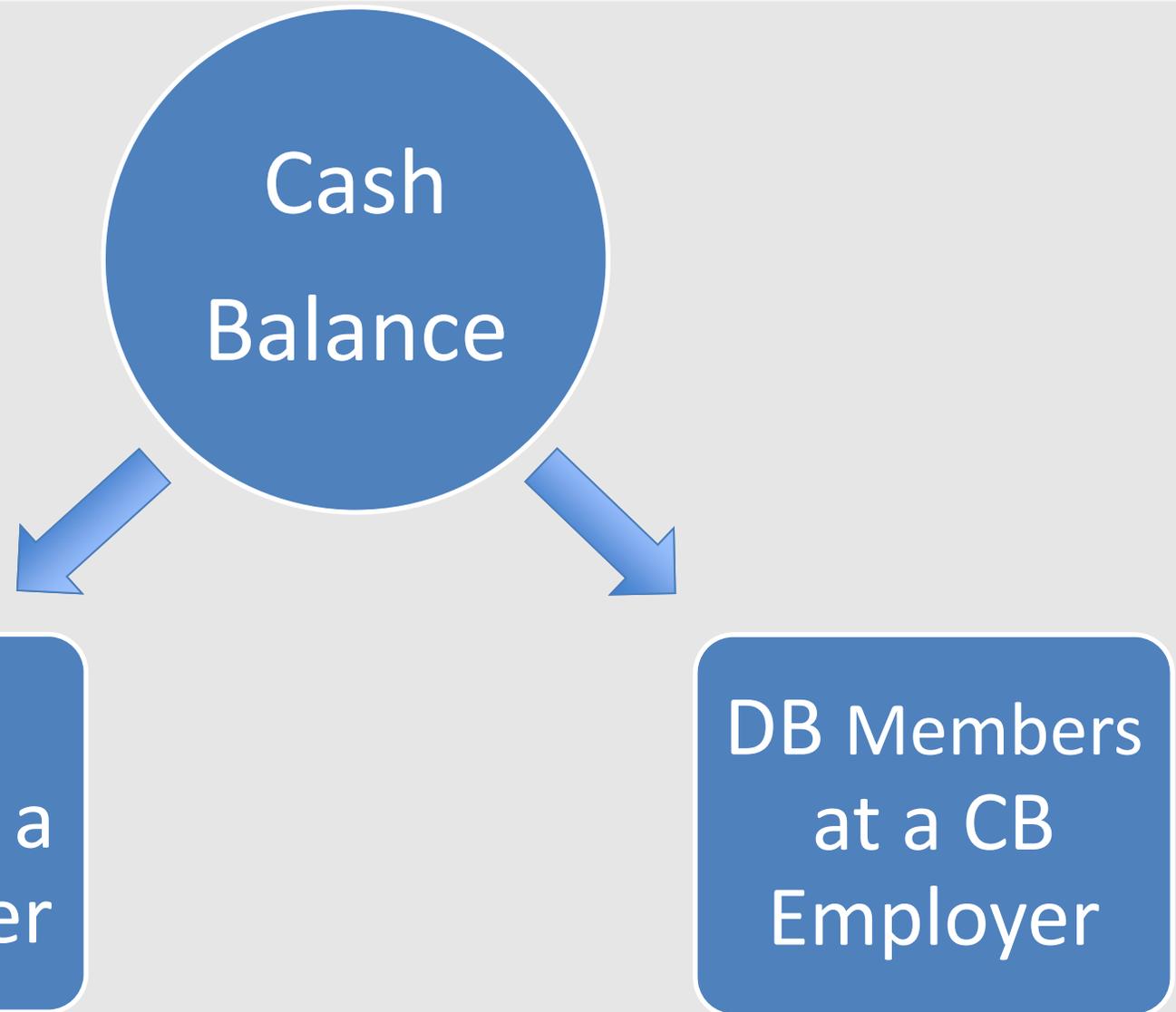
**Section 2: Employer Certification (to be completed by employer)**

I certify that the above-named part-time or substitute employee has been provided with CalSTRS Defined Benefit Program membership criteria as required pursuant to Education Code section 22455.5, and if applicable, informed of his or her right to elect into membership in the CalSTRS Defined Benefit Program.

OFFICIAL'S SIGNATURE	DATE
OFFICIAL'S NAME	TITLE
COUNTY (or other employing agency)	DISTRICT

EMPLOYEE #	* MEMBERSHIP DATE (MM/DD/YYYY)	ASSIGNMENT (circle one) Part-Time                  Substitute
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\* Effective January 1, 2017, permissive membership in the Defined Benefit Program shall become effective as of the first day of the pay period following the employee's election.



## Cash Balance Program

*What's Old & What's New – as of July 1, 2018*

### OLD

Full-time DB  
member at one  
employer

No CB at any  
employer

### NEW

Full-time DB  
member at one  
employer

Member can elect  
CB at a new  
employer

## **DB Non member hired by a CB Employer** *Less than %50 of Full-Time*

Defaults in CB if no other election is made

May elect Social Security or ARP in lieu of CB

May elect Social Security if subsequently offered

May permissively elect DB at any time

## Employer obligations & Time Frames

### Alternative Retirement Program Election

- Within 10 working days of employment.
- Rights and responsibilities under Social Security and the ARP.
- Benefits payable under Social Security or the ARP.
- Submit *Cash Balance Benefit Program Election (CB533)* as electing ARP.
- Enroll the employee as an ARP participant through REAP.
- Report compensation as non member on the CalSTRS F496 file.

## **DB Member hired by a CB Employer** *Less than %50 of Full-Time*

Defaults into DB if no other election is made

All service at employer which member mandatorily qualified must report to DB

May elect CB at an employer which they did not mandatorily qualify or have CB before

Cannot elect ARP

## Employer obligations & Time Frames

### Cash Balance Program Election

- Within 10 working days of employment.
- Rights and responsibilities of the Cash Balance Program.
- *Cash Balance Benefit Program Election* form (CB 533).
- Employee must submit election to employer within 60 days.
- Enroll using Transaction Code 06 through REAP or MR87 file.
- Report compensation to the DB system as member code 02 on the F496 file.

## Retirement System Election

- Member has 60 days to elect.
- Membership effective 1<sup>st</sup> day of employment.
- Effective January 1, 2019
  - Submit to CalSTRS within 60 days of election.

### Retirement System Election

ES 0372 rev 02/17



California State Teachers' Retirement System  
P.O. Box 15275, MS 17  
Sacramento, CA 95861-0275  
800-228-6463  
CalSTRS.com

#### RETIREMENT SYSTEM ELECTION AND ACKNOWLEDGEMENT OF RECEIPT OF RETIREMENT SYSTEM INFORMATION

PLEASE READ THE ATTACHED INFORMATION AND INSTRUCTIONS BEFORE COMPLETING THIS FORM. PLEASE TYPE OR PRINT LEGIBLY IN DARK INK.

#### SECTION 1: MEMBER INFORMATION AND ELECTION (to be completed by employee)

NAME (LAST, FIRST, MIDDLE INITIAL)		FULL SOCIAL SECURITY NUMBER	
<p>A member of CalSTRS who becomes employed in a new position by the same or a different school district, a community college district, a county superintendent of schools, limited state employment or the Board of Governors of the California Community Colleges, as defined in Education Code sections 22508 and 22508.5, to perform service that requires membership in a different public retirement system will have that service credited with that other public retirement system unless he/she files a written election (within 60 days after the date of hire) to have that service covered by CalSTRS, pursuant to Education Code section 22508(a) or 22508.5(a).</p> <p>I am a member of CalSTRS who has accepted employment to perform service that requires membership in a different public retirement system and am eligible to elect to continue retirement system coverage under CalSTRS.</p> <p>I elect coverage in: (please choose one)</p> <p><input type="checkbox"/> CA State Teachers' Retirement System (CalSTRS)</p> <p><input type="checkbox"/> CA Public Employee's Retirement System (CalPERS) *</p> <p><input type="checkbox"/> A Different Public Retirement System identified here:</p>		<p>OR</p> <p>A member of CalPERS who is employed by a school employer, Board of Governors of Community College Districts or State Department of Education or who has at least five years of CalPERS credited service, as defined in Government Code section 20309, and who subsequently becomes employed to perform creditable service that requires membership in CalSTRS, will have that service credited with CalSTRS unless he/she files a written election (within 60 days after the date of hire) to have the service credited with CalPERS, pursuant to Government Code section 20309.</p> <p>I am a member of CalPERS who has accepted employment to perform service that requires membership in CalSTRS Defined Benefit Program, and am eligible to elect to continue coverage under CalPERS.</p> <p>I elect coverage in: (please choose one)</p> <p><input type="checkbox"/> CA State Teachers' Retirement System (CalSTRS)</p> <p><input type="checkbox"/> CA Public Employee's Retirement System (CalPERS) *</p>	

With my signature below, I certify that I have received information from my employer regarding my eligibility to elect membership for this position as described on this form. I fully understand that this election is irrevocable. I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering or receiving a benefit administered by CalSTRS and it may result in up to one year in jail and/or a fine of up to \$5,000 pursuant to Education Code section 22010.

EMPLOYEE SIGNATURE	DATE
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#### SECTION 2: EMPLOYER CERTIFICATION (to be completed by employer and County Office of Education)

With my signature below, I certify that I have provided information to the above employee regarding his/her eligibility to elect membership for this position, pursuant to Education Code section 22509. I certify the employee meets the qualifications to make a retirement system election, pursuant to Education Code sections 22508 or 22508.5, or Government Code section 20309.

<b>EMPLOYEE POSITION INFORMATION:</b>			
POSITION HIRE DATE	POSITION EFFECTIVE DATE	POSITION TITLE	
SELECT ONE:	<input type="checkbox"/> Credentialed	<input type="checkbox"/> Classified	<input type="checkbox"/> State Service
<b>EMPLOYER INFORMATION:</b>			
CO/DIST/STATE DEPT NAME		CALSTRS REPORT UNIT CODE	
SCHOOL/STATE OFFICIAL'S NAME	TITLE	PHONE NUMBER	
SIGNATURE OF SCHOOL/STATE OFFICIAL	DATE		
COUNTY OFFICIAL'S NAME	TITLE	PHONE NUMBER	
SIGNATURE OF COUNTY OFFICIAL	*CalPERS Employer Code:		

# Employer Directives

WATER AND ENERGY SAVINGS

LEED Platinum HQ / Green Building Practices

SUSTAINABILITY

RETIREMENT READINESS Full Funding

Community Outreach \ Member Engagement

CORE VALUES / TRUSTED GUIDE

Diverse and Inclusive  
ENGAGED WORKFORCE  
Succession Planning VIRTUOSITY

Active and Responsible Investor  
GREEN BONDS  
Low Carbon Investment ♦ Climate Change Leaders

# Where to Find the Employer Directive on the Secure Employer Website

My Account: GGandara (CalSTRS) Help | Logout

- Home
- Manage Files
- Manage Reports
- Maintain Users
- REAP
- Employer Notification
- Secure Message Center
- Reference Items
- Forms & Publications
- My Links
  - ES0350 Permissive Election & Acknowledgement Form
  - ES0372 Retirement System Election

## Reference Item Search

Search Criteria Hide

Search Text:

Reference Category:

<input type="checkbox"/> Events	<input checked="" type="checkbox"/> Employer Directives and Circulars
<input type="checkbox"/> FAQs	<input type="checkbox"/> Forms
<input type="checkbox"/> Publications	<input type="checkbox"/> Employer Communications
<input type="checkbox"/> File Specifications	<input type="checkbox"/> File Submission and Remittance Schedules
<input type="checkbox"/> Laws and Regulations	<input type="checkbox"/> User Manuals and Training
<input type="checkbox"/> Useful Websites	

SEW Function:

Search Results

## Where to find the Employer Directive on CalSTRS.com

The screenshot shows the CalSTRS website interface. At the top left is the CalSTRS logo. To its right is a link for "VIEW 2017-18 PAY DATES" and a dropdown menu with the text "I would like to ...". Below this is a horizontal navigation menu with links for "Members", "Employers", "Investments", "Corporate Governance", "Newsroom", "Sustainability", and "About Us". A search bar is located to the right of the navigation menu. The main content area is divided into several sections: "CalSTRS Secure Employer Website", "Employer Information Circulars" (with links for 2018, 2017, and Archive), "Employer and Administrative Directives" (with links for 2018, 2017, and Archive), and "Tools and Resources" (with links for 403bComply, Charter Schools, GASB Accounting, Excess Contributions, Preventing Pension Spiking, and myCalSTRS Digital Badge). On the right side, there is an "Employer Login" section with the text "Access the CalSTRS Secure Employer Website" and a "READ MORE" link, and a "Sign Up For Email Updates" section with an "Email Address" input field, a "Submit" button, and a "READ MORE" link. At the bottom, there is a red "QUICK LINKS" bar with icons and text for "myCalSTRS", "Calculators", "Forms", "Publications", "Planning", "Contact Us", and "What's New". To the right of this bar is a "Quiz: Which of the following is the fastest and most reliable way to receive your benefit payment check?" with three dots indicating a list of options. The footer contains copyright information: "© 2018 CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM 800-228-5453" and links for "FAQS", "SITE MAP", "PRIVACY", "ACCESSIBILITY", "CAREERS", and "WORKSHOPS". Social media icons for Facebook, Twitter, YouTube, LinkedIn, Pinterest, and Instagram are also present.

CALSTRS

Questions?

[EmployerHelp@CalSTRS.com](mailto:EmployerHelp@CalSTRS.com)