

1234

March 3, 2000

TO: County Superintendents of Schools
District Superintendents of Schools
Community College Districts
Other Employing Agencies

SUBJECT: Employer Directive 00-01
Change in Definition of Creditable Compensation

PURPOSE

The purpose of this directive is to inform employers of a change in the definition of “Creditable Compensation” that took effect January 1, 2000, as a result of the enactment of Senate Bill 1074 (Chapter 939).

SCOPE

This directive applies to all county superintendents of schools, school districts, community college districts, and the employing agencies that employ persons to perform creditable service under the Defined Benefit (DB) Program administered by the California State Teachers' Retirement System (CalSTRS).

DISCUSSION

Each employer must remit to CalSTRS a specified percentage of the total creditable compensation earned by the employees who are members of the DB Program. “Creditable compensation” is defined in Education Code Section 22119.2.

As of January 1, 2000, Section 22119.2 was changed to include the following provision in the definition of “creditable compensation.”

Education Code Section 22112.2 (a) (7)

Money paid in accordance with a salary schedule by an employer to an employee for achieving certification from a national board awarding certifications, in which eligibility for this certification is based, in part, on years of training or years of experience in teaching service, if the compensation is paid by the employer to all employees who achieved this certification.

Although there may be other national boards awarding such certifications, currently we are only aware of such a certification being awarded from the National Board for Professional Teaching Standards (NBPTS). This certification is granted for the completion of rigorous criteria established by NBPTS. Several school districts in California offer teachers monetary compensation, or awards, for achieving certification from the NBPTS. Other national board certifications also may apply. However, monetary awards granted by employers for such certifications must be consistent with the definition of creditable compensation to be credited under the DB Program, and paid to all members of class of employees on the same basis.

ACTION

Report compensation for NBPTS and other national board certification as creditable, as provided in this directive. Please refer questions concerning this change to your CalSTRS Reporting Technician.

JAMES D. MOSMAN
Chief Executive Officer