

July 1, 2005

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

FROM: EXECUTIVE OFFICE

SUBJECT: Employer Directive 2005-03
Changes to Mandatory Membership in the Defined Benefit Program for
Part-time Community College Faculty

PURPOSE

The purpose of this directive is to inform employers of the enactment of AB 3076 (Chapter 474, Statutes of 2004). This legislation amends Sections 22502, 22504, 22601.5, 22604, 26400 and 26401 of the California Education Code, effective July 1, 2005.

SCOPE

This law changes the thresholds for membership in both the Defined Benefit (DB) Program and the Cash Balance (CB) Benefit Program for part-time community college and community college adult education instructors. The threshold for part-time K-12 instructors has not changed (Education Code § 22504). Part-time K-12 instructors become a member on the first day of the pay period following the pay period in which they perform at least 60 hours of creditable service if employed on an hourly basis, or 10 days of creditable service if employed on a daily basis, during the school year, in one school district or county office of education.

DISCUSSION

Under the previous law, part-time community college employees were mandated, if not already a member, into the DB Program if they reach a certain threshold in a pay period. If the employer offered the CB Benefit Program, the instructor was mandated into the DB Program if his or her basis of employment changed to 50 percent or more of the full time assignment. This resulted in some part-time instructors being unwillingly mandated into the DB Program only to terminate employment and request to have their contributions

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refunded to them at a later date. An employee could participate in the CB Benefit Program, if the program was offered by the employer, if the employee was employed for less than 50 percent of a full-time assignment.

Under the new law, which became effective on July 1, 2005, the threshold for determining mandatory membership in the DB Program changed from pay period to school year for those employees who are employed by a Community College District and are classified as temporary employees. It is important to note that the employer is still responsible for determining the employee's DB Program membership. However, the employer will now be monitoring the employee's basis of employment and not the actual hours worked.

ACTION

Effective July 1, 2005, community college employees performing creditable service on a part-time basis, who are not already member's of the CalSTRS DB Program, are excluded from mandatory membership when accepting positions that are temporary in nature, as defined in Education Codes 87474, 87480, 87481, 87482, or 87482.5, even when the basis of employment for the temporary position is 50 percent or more of the full-time position. In addition, employees who are employed by a Community College District and are classified as temporary employees may participate in the CB Benefit Program, if the CB Benefit Program is offered by their employer.

Assignment Code 58 should be used solely for reporting part-time community college faculty, however; continue to report part-time service in grades K-12 with Assignment Code 55. If you have any questions or need clarification of your responsibilities, please contact your CalSTRS Member Account Services employer representative at (916) 229-3806 or CB Benefit Program representative for your county at (916) 229-0554.



Jack Ehnes
Chief Executive Officer