

January 24, 2007

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

FROM: EXECUTIVE OFFICE

SUBJECT: Employer Directive 2007-02
Contribution Payments and Variance Reports

PURPOSE

The purpose of this directive is to provide employers with additional guidance for administering CalSTRS pension contributions. This directive addresses both remitting contributions and reconciling remitted contributions against contribution reporting detail on a regular basis.

The instructions in this directive replace previous training materials and circulars addressing the contribution remittance process (using Form C118) or the use of CalSTRS contribution variance reports.

SCOPE

This directive applies to all county superintendents of schools, school districts, community college districts and other employing agencies that employ members to perform creditable service subject to coverage under the State Teachers' Retirement Plan, administered by the California State Teachers' Retirement System (CalSTRS), which includes the Defined Benefit (DB) and Defined Benefit Supplement (DBS) Programs.

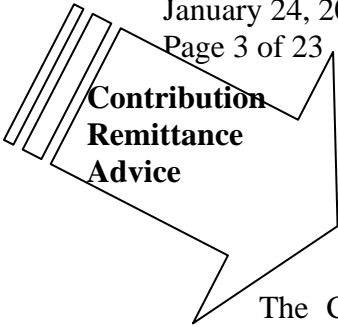
DISCUSSION

The discussion portion of this directive is very detailed. Due to the length of this section, we have provided a table of contents to assist you and your staff.

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**Contribution
Remittance
Advice**

The Contribution Remittance Report (C-118) is being replaced with the simplified Contribution Remittance Advice (RA). The RA must be prepared and submitted for each contribution remittance made to CalSTRS. The information provided on the RA should support the information reported on the (F-496) monthly report for a specified period. More than one remittance and RA may be submitted for a report month, but a separate RA MUST be prepared for each remittance made to CalSTRS.

The following page is an example of the RA that is required with contribution remittances. This form is available on the CalSTRS Web site at www.CalSTRS.com in the employer section. You will also find a link to the document on the home page of the Secured Employer section after you log in.

A) Remittance Details

1. Date of Deposit: Enter the date that the remittance is deposited with the bank
2. Apply to Fiscal Year: Enter the fiscal year (FY) to which the remittance applies. This is most commonly the current FY and helps distinguish remittances made during the end of one FY and beginning of another.
3. Remittance Amount: Enter the total amount of the deposit including both employer contributions and member contributions.
4. Apply to Period OR Supplemental (P or SU): Identify whether the remittance is to apply to a regular Period F-496 report or a Supplemental F-496 report.
5. Period Number: Enter the reporting period to which the remittance applies. This is the period to which the remittance will be associated on the Variance Reports.
6. Supplemental Number: If the remittance is for a supplemental report, note the sequence number of that supplemental report. For example, if it is the first supplemental report for the FY, enter '1'. If it is the second supplemental report for the FY, enter '2'.

B) Report Source: Enter the County/ Employer name and two-digit County/ Employer Code.

C) Remittance Prepared By: Enter name and date of person authorized by the county Superintendent of Schools.



CONTRIBUTION REMITTANCE ADVICE

A			
Remittance Details:			
1	Date of Deposit:	4	Apply to Period <u>OR</u> Supplemental (P or SU):
2	Apply to Fiscal Year:	5	Period Number:
3	Remittance Amount:	- OR -	
		6	Supplemental Number:

Report Source:			
B	Name:	Number:	
Remittance Advice Prepared by:			
C	Name:	Phone Number:	

Instructions

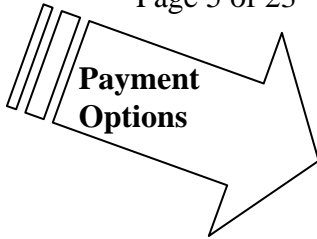
Submit completed Contribution Remittance Advice (RA) to CalSTRS on or before the date of deposit. Emailing the report to AccountControl@CalSTRS.com is the preferred method.

Deposits will be applied to the fiscal year and period (or supplemental) specified.

Supplemental Reports and payments are non-period specific and must be numbered to match the corresponding Supplemental Report.

Email: AccountControl@CalSTRS.com

Fax: (916) 229-3934



Electronic Fund Transfer (EFT)

Register for EFT through CalSTRS by calling (916) 229-3940. CalSTRS will provide the necessary information to process electronic payments. EFT is available at no cost to the employer.

Once registered, CalSTRS will provide instructions on initiating a payment by calling the Data Collector and following the script provided.

Direct Deposit

Take the warrant and deposit slip supplied by CalSTRS to the nearest Bank of America branch for deposit to the CalSTRS account.

Wire

Send wire to:

Bank of America #1489

555 Capitol Mall, Suite 265

Sacramento, CA 95814

Attention: Government Services Section

STRS Acct. #019 Bank of America Acct. #1489-5-80564

Include the following information with the wire:

Routing# 0260-0959-3

Wire Transfer Acct. # 1489-5-80564

When submitting a payment electronically please email a copy of the RA to: AccountControl@CalSTRS.com (the preferred method) or fax the RA to CalSTRS Accounting Control at (916) 229-3934.

Mail

Mail the original copy of the RA with the warrant to:

California State Teachers Retirement System

Attention: Cash Receipts Section

P.O. Box 15275

Sacramento, CA 95851-0275



Overview

CalSTRS provides a series of five variance reports and a downloadable file per employer (i.e., report source), for each F496 report received. Each of these reports highlights different details in order to aid employers in the resolution of remittance discrepancies with CalSTRS. The reports are designed to be worked from the summary level (report source), through unit (school district or charter school) details and finally to individual contribution lines that may contribute to the discrepancy between what has been reported and what has been calculated by CalSTRS. These variance reports serve as a tool to help the report source and their units identify items that cause a discrepancy with CalSTRS. CalSTRS refers to these discrepancies as an “employer variance” or “variance.” Variance is comprised of two components: cash variance and contribution line variance. The sum of the contribution line variance and the cash variance equals the total variance. These two variance components can exist independent of one another, as well as together.

Variance Report Total Values

The following section describes how totals on the variance reports are derived.

Member Contributions – Member contribution totals are summed from the individual contribution lines. If the sum of the individual lines is different than the totals reported by employers, the sum of the individual lines will be used to determine the total values.

Employer Contributions – Employer contributions are reported at the unit level, not by individual contribution lines. Page totals for employer contributions may be used for identifying variances but these page totals are not used to calculate the employer contribution at the unit level.

Source Reported – The reported totals for earnings and member contributions are summed from the individual contribution lines on the F496 report. Employer contribution totals are populated by the Unit totals that were reported on the F496 report.

CalSTRS Calculated – CalSTRS calculated values are based on the information submitted on the F496. In the new variance reports, CalSTRS calculates contributions based on a contribution rate table maintained in our database (START) instead of the rate reported on the F496 report. CalSTRS Calculated could also be described as ‘CalSTRS Expected’ based on the F496 data report. In the sample reports provided, the values calculated by CalSTRS are shown in bold.

Production of the variance reports is triggered by the acceptance of a F496 Report of Contributions file. The variance reports will reflect the activity from the last report acceptance date up to the acceptance date of current report. The fiscal year to date report captures all activity for the fiscal year including supplemental reports.

Total Variance

CalSTRS calculates contributions owed by comparing the total CalSTRS calculations from the detail lines to the contributions remitted. This is further broken down into contribution line variance and cash variance to identify if the variance is due to a reporting or remitting error.

$$\text{CalSTRS Calculated} - \text{Remitted} = \text{Total Variance}$$

Variance is reflected as a positive number. A negative total variance reflects an overpayment.

Contributions Owed	Overpayment
CalSTRS Calculated	CalSTRS Calculated
– Remitted	– Remitted
= Positive Variance	= Negative Variance

Contribution Line Variance

Upon receipt of the F496 contributions report, CalSTRS validates the employer’s reported calculations line by line. ‘CalSTRS Calculated’ value is based on the F496 line data submitted. This value is displayed on the reports at three different levels; by county (report source), by district (unit) within each county and by individual contribution line, when the calculated value is different than the reported value. The difference between the total reported value and the CalSTRS Calculated value is called the contribution line variance.

$$\text{CalSTRS Calculated} - \text{Source Reported} = \text{Contribution Line Variance}$$

Note: Contribution line variance calculations are based on the F496 contributions reported only; thus, the CalSTRS Calculated value will not indicate if a member has been incorrectly reported as a non-member. For member/non-member reporting errors, please refer to the Exception Reports.

Cash Variance

The cash variance is the difference between the total contribution amounts reported (the sum of all the detail lines from the report source) and the contributions remitted to CalSTRS (deposits) for a reporting period. Cash variance occurs when the deposits received by CalSTRS do not match the total reported contributions.

Source Reported – Remitted = Cash Variance

Source Variance Report

The Source Variance Report displays source level reported and CalSTRS calculated information broken out into columns by:

- 1) Total earnings,
- 2) Creditable earnings,
- 3) Pre-tax member contributions,
- 4) Post-tax member contributions,
- 5) Employer contributions and
- 6) Payroll deduction receivables (also known as service credit purchases).

The CalSTRS calculated totals are displayed in rows by service year for specific assignment code including:

- 7) Reduced Workload Program (RWP)
- 8) Contribution only (CC2), (not on the sample report)
- 9) Standard member, and
- 10) Non-member lines.

The total of each of the detailed groupings equals the total CalSTRS calculated row.

The report includes:

- 11) Total variance and
- 12) Year to date cumulative variance,

for a particular employer (report source) for a specific report period categorized by pre-tax member, post-tax member, employer and receipts. The variance reflected on Source Variance Report is considered 'contribution line variance.'

Source Variance Report

ASGN CODE	REPORT YEAR	TOTAL EARNINGS	CREDITABLE EARNINGS	POST-TAX MBR CONTRIBUTIONS	PRE-TAX MBR CONTRIBUTIONS	EMPLOYER RATE	EMPLOYER CONTRIBUTIONS	RECEIVABLE AMOUNT	TOTAL AMOUNT	
REPORTING INTERACTIONS ARIVR1R2 ***** STATE TEACHERS' RETIREMENT SYSTEM ***** Report Source: XXXXX ABC COUNTY OFFICE OF EDUCATION Report Period: 05 Supplemental Seq Nbr: Fiscal Year : 2005/2006 Media Id : STM0000009999 Page No. : 1 Date : 10/06/2006 09:03:02 Source Variance Report										
7	RWP	2005/2006	90.00	16,470.00	0.00	1,317.60	8.8270	1,453.81	0.00	
	RWP	TOTALS	90.00	16,470.00	0.00	1,317.60		1,453.81	0.00	2,771.41
9	STANDARD	2005/2006	1,419,678.20	1,419,678.20	0.00	113,574.26	8.2500	117,123.45	0.00	
	STANDARD	TOTALS	1,419,678.20	1,419,678.20	0.00	113,574.26		117,123.45	0.00	230,697.71
10	NON MEMBER		29,014.59		0.00	0.00				
	STRS TOTALS		1,448,782.79	1,436,148.20	0.00	114,891.86		118,577.26	0.00	233,469.12
	REPT. TOTALS		1,448,782.79	1,436,193.20	0.00	113,594.35		117,131.28	0.00	230,725.63
	Period Var.		0.00	45.00-	0.00	1,297.51		1,445.98	0.00	2,743.49
	YTD Var.		0.00	45.00-	0.00	1,308.35		1,444.77	0.00	2,753.12

*** End of Report ***

- For the purpose of illustration, fields calculated by CalSTRS are hi-lighted. The remaining fields are summed from the F496 detail lines unless otherwise noted. On this report, everything but the REPT TOTALS is calculated by CalSTRS.
- The YTD variance (12) reflects the current period variance in addition to the variance from any prior periods in the fiscal year and matches the variance on the Fiscal Year to Date Source Variance Report.
- The member contribution variance can be researched using the individual contribution lines on the Variance Page Detail Report.
- The employer contribution variance can be researched using the page total fields on the Variance Page Detail Report as well as the Unit Variance Report.

Fiscal Year to Date Source Variance Report

The Fiscal Year to Date (FYTD) Source Report shows the employer's cash position at a glance. The report compares the:

- 1) Source Reported totals and
- 2) CalSTRS Calculated totals from the F496 report to the
- 3) Actual cash remittance for the period.

Variances on the FYTD report accumulate with each report period throughout a fiscal year. The contribution line variance on this report (4) matches the total YTD variance on the Source Variance Report, last column and row.

The FYTD Source Report is the only variance report which displays contributions remitted. The cash variance on this report is a critical tool for highlighting whether a report source is under remitted or over remitted. Remittances and reports are displayed in order by the date received up to the receipt of the most current report.

Remittances received for subsequent periods (5) are displayed under Account Activity for Subsequent Periods and not included in the variance totals until the associated report is received. The prior period details included identifies period contains a variance.

Fiscal Year to Date Source Variance Report

REPORTING INTERACTIONS	***** STATE TEACHERS' RETIREMENT SYSTEM *****	Page
No. : 1	Fiscal Year to Date Source Variance	Date :
ARIVR2R1		
10/06/2006 09:03:06		
Report Source: XXXXX	ABC COUNTY OFFICE OF EDUCATION	
Report Period: 05	Supplemental Seq Nbr:	
Fiscal Year : 2005/2006	Media Id : STM000009999	

***** Account Activity for Current Period *****				
		3	1	2
Date	Transaction Type Period	Remittances	Reported Total Contributions	CalSTRS Calculated Contributions
<hr style="border-top: 1px dashed black;"/>				
20050727	Cash Remit 01	161,600.00		
20050808	Cash Remit 01	8,401.77		
20050813	Period Report 01		170,017.20	170,017.24
20050831	Cash Remit 02	213,500.00		
20050920	Cash Remit 02	11,175.48		
20050921	Period Report 02		224,675.45	224,675.48
20050929	Cash Remit 03	212,000.00		
20051025	Cash Remit 03	11,069.29		
20051031	Cash Remit 04	220,500.00		
20051031	Period Report 03		223,069.46	223,069.29
20051110	Cash Remit 04	11,315.76		
20051128	Cash Remit 05	219,300.00		
20051206	Period Report 04		231,806.03	231,815.76
20060106	Period Report 05		230,725.63	233,469.12
Subtotals:		1,068,862.30	1,080,293.77	1,083,046.89

***** Account Activity for Current Period *****				
Adjustments:				
Date	Transaction Type Period	Remittances	Reported Total Contributions	CalSTRS Calculated Contributions
<hr style="border-top: 1px dashed black;"/>				
20051130	Bal Xfer Adj	15.54		
20051223	Bal Xfer In	500.00		
Totals:		1,069,377.84	1,080,293.77	1,083,046.89
Variance:				
Remitted vs. Reported:		10,915.93		
Reported vs. Calculated:		2,753.12		
Total Variance (Remittance vs. CalSTRS Calc):		13,669.05		
***** Account Activity for Subsequent Periods *****				
Date	Transaction Type Period	Remittances	Reported Total Contributions	CalSTRS Calculated Contributions
<hr style="border-top: 1px dashed black;"/>				
20060105	Cash Remit 06	213,000.00		

NEGATIVE VARIANCE REFLECTS OVERPAYMENT
*** End of Report ***

Unit Variance Summary Report

The Unit Variance Summary Report provides an overview of all of the reporting units' variances at a glance to identify which reporting units contribute to the contribution line variance. Each unit's totals are displayed in the same categories as the Source Variance Report including:

- 1) Total earnings,
- 2) Contributions, and
- 3) Payroll deduction receivables from the F496.

Earnings, member contributions and payroll deduction receivables on this report are summed from the individual contribution lines. The unit total employer contributions are shown as reported on the F496.

When using this report, start by identifying the units that have a contribution line variance. If a unit has a contribution line variance, refer to the fourth and fifth report. You may also use this report to validate the funds from each reporting unit. If there is a cash variance on the source variance or FYTD variance reports, validate the unit level reported amounts and compare them to the actual contribution funds from that unit. CalSTRS does not have the detail of remittances by reporting unit (districts and charter schools).

Unit Variance Summary Report

REPORTING INTERACTIONS ARIVR3R1	***** STATE TEACHERS' RETIREMENT SYSTEM *****					Page No. 1	Date : 10/06/2006 09:03:08
Report Source: XXXXX	ABC COUNTY OFFICE OF EDUCATION						
Report Period: 05	Supplemental Seq Nbr:						
Fiscal Year : 2005/2006	Media Id: STM0000009999						
LINE COUNT	TOTAL EARNINGS	CREDITABLE EARNINGS	POST-TAX MBR CONTRIBUTIONS	PRE-TAX MBR CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS	RECEIVABLE AMOUNT	TOTAL VARIANCE
REPORT UNIT: XX003							
STRS TOTAL:	104	266,838.21	277,974.45	0.00	22,237.96	23,027.92	0.00
RPTD TOTAL:	104	266,838.21	278,019.45	0.00	20,930.56	21,581.59	0.00
VARIANCE :	0	0.00	45.00-	0.00	1,307.40	1,446.33	2,753.73
REPORT UNIT: XX040							
STRS TOTAL:	373	1,181,944.58	1,158,173.75	0.00	92,653.90	95,549.33	0.00
RPTD TOTAL:	373	1,181,944.58	1,158,173.75	0.00	92,663.79	95,549.69	0.00
VARIANCE :	0	0.00	0.00	0.00	9.89-	0.36-	10.25-
STRS SOURCE TOT	477	1,448,782.79	1,436,148.20	0.00	114,891.86	118,577.26	0.00
RPTD SOURCE TOT	477	1,448,782.79	1,436,193.20	0.00	113,594.35	117,131.28	0.00
SOURCE VARIANCE	0	0.00	45.00-	0.00	1,297.51	1,445.98	2,743.49

*** End of Report ***

- For the purpose of illustration, fields calculated by CalSTRS are **hi-lighted**. The remaining fields are summed from the F496 detail lines unless otherwise noted.
- Employer contributions are reported at the Unit level. Reported totals bolded on this page are displayed as remitted and not totaled from line level detail (4).

Unit Variance Report

The Unit Variance Report displays the same type of information as the Source Variance Report at unit level detail. This includes unit level reported and CalSTRS calculated information broken out into columns by:

- 1) Total earnings,
- 2) Creditable earnings,
- 3) Pre-tax member contributions,
- 4) Post-tax member contributions,
- 5) Employer contributions and
- 6) Payroll deduction receivables.

The CalSTRS calculated totals are displayed in rows by service year for specific assignment code including:

- 7) Reduced Workload Program (RWP)
- 8) Contribution only (CC2), (not on the sample report)
- 9) Standard member, and
- 10) Non-member lines.

The total of each of the detailed groupings equals the total CalSTRS calculated row.

The report includes total variance (11) for a particular Report Unit for a specific report period categorized by pre-tax member, post-tax member, employer and receipts. The variance reflected on Source Variance Report is considered 'contribution line variance.' The totals and variances on all Unit Variance Reports sum to the totals on the Source Variance Report.

A separate page is presented for each Report Unit. The lines detailed by assignment code and fiscal year grouping show a breakdown of the CalSTRS calculated values for the report unit. The Unit Variance Report can be distributed to the appropriate report units to aid the Report Source in resolving any contribution line variances displayed. CalSTRS does not have record of the remittances by report unit.

Unit Variance Report

REPORTING INTERACTIONS ARIVR4R1 ***** STATE TEACHERS' RETIREMENT SYSTEM ***** Page No. : 1
 Unit Variance Report Date : 10/06/2006 09:03:12

Report Source: XXXXX ABC COUNTY OFFICE OF EDUCATION
 Report Unit : XX003
 Report Period: 05 Supplemental Seq Nbr :
 Fiscal Year : 2005/2006 Media Id: STM0000009999

ASGN CODE	REPORT YEAR	TOTAL EARNINGS	CREDITABLE EARNINGS	POST-TAX MBR CONTRIBUTIONS	PRE-TAX MBR CONTRIBUTIONS	EMPLOYER RATE	EMPLOYER CONTRIBUTIONS	RECEIVABLE AMOUNT	TOTAL AMOUNT
7 RWP	2005/2006	90.00	16,470.00	0.00	1,317.60	8.8270	1,453.81	0.00	
RWP	TOTALS	90.00	16,470.00	0.00	1,317.60	0.0000	1,453.81	0.00	2,771.41
9 STANDARD	2005/2006	261,504.45	261,504.45	0.00	20,920.36	8.2500	21,574.12	0.00	
STANDARD	TOTALS	261,504.45	261,504.45	0.00	20,920.36	0.0000	21,574.12	0.00	42,494.48
10 NON MEMBER	2005/2006	5,243.76		0.00	0.00				
STRS TOTALS		266,838.21	277,974.45	0.00	22,237.96		23,027.92	0.00	45,265.88
REPORT TOTALS		266,838.21	278,019.45	0.00	20,930.56		21,581.59	0.00	42,512.15
VARIANCE		0.00	45.00-	0.00	1,307.40		1,446.33	0.00	2,753.73

REPORTING INTERACTIONS ARIVR4R1 ***** STATE TEACHERS' RETIREMENT SYSTEM ***** Page No. : 2
 Unit Variance Report Date : 10/06/2006 09:03:12

Report Source: XXXXX AMADOR COUNTY OFFICE OF EDUCATION
 Report Unit : XX040
 Report Period: 05 Supplemental Seq Nbr :
 Fiscal Year : 2005/2006 Media Id: STM0000009999

ASGN CODE	REPORT YEAR	TOTAL EARNINGS	CREDITABLE EARNINGS	POST-TAX MBR CONTRIBUTIONS	PRE-TAX MBR CONTRIBUTIONS	EMPLOYER RATE	EMPLOYER CONTRIBUTIONS	RECEIVABLE AMOUNT	TOTAL AMOUNT
STANDARD	2005/2006	1,158,173.75	1,158,173.75	0.00	92,653.90	8.2500	95,549.33	0.00	
STANDARD	TOTALS	1,158,173.75	1,158,173.75	0.00	92,653.90	0.0000	95,549.33	0.00	188,203.23
NON MEMBER	2005/2006	23,770.83		0.00	0.00				
STRS TOTALS		1,181,944.58	1,158,173.75	0.00	92,653.90		95,549.33	0.00	188,203.23
REPORT TOTALS		1,181,944.58	1,158,173.75	0.00	92,663.79		95,549.69	0.00	188,213.48
VARIANCE		0.00	0.00	0.00	9.89-		0.36-	0.00	10.25-

*** End of Report ***

- For the purpose of illustration, fields calculated by CalSTRS are hi-lighted. The remaining fields are summed from the F496 detail lines unless otherwise noted

Variance Page Detail Report

The Variance Page Detail Report pages are specific to a report unit and are only produced when the report page contains a variance. The variance may be either in the detail contribution lines or in the page totals. The information presented on this report up through the creditable earnings indicator (RCE – section #7 as noted below and samples provided) is pulled directly from the F496 detail lines as reported. The F496 report does not contain reported employer contributions at the detail line level so the last two columns contain the CalSTRS calculated value for employers. Contribution line information from the F496 is displayed in columns including:

- 1) Member code,
- 2) Assignment code,
- 3) Pay rate and pay code,
- 4) Earnings,
- 5) Member contributions and contribution rates,
- 6) Service period and
- 7) RCE - Creditable earnings indicator from F496.

CalSTRS Calculated information:

- 8) Employer contribution rate and code calculated by CalSTRS and
- 9) Creditable earnings error indicator

Totals at the bottom of each page include:

- 10) CalSTRS calculated values for each column,
- 11) Summed totals of the detail reported lines and
- 12) Variances for each column on the page.

When produced, the variance page detail pages display all of the lines submitted on that page of the F496 report. Not all lines on the page contain a variance. In the case of a variance between the total reported employer contribution for a page and the CalSTRS calculated employer contribution for a page, no detail lines will show a variance, it will instead be reflected in the page totals.

When an individual contribution line contains a different reported contribution than CalSTRS calculates, the CalSTRS calculated value and resulting contribution line variance will appear below the line with a variance.

A contribution line variance may also be caused by a creditable earnings error. A creditable earnings error occurs when the member code and creditable earnings indicator for a line do not agree. For example, a line with member code 1 and no creditable earnings indicator will result in a creditable earnings error which is indicated by an * in the last column of the report. If the member code reported for a line is 1 (member), or the creditable earnings indicator is reported, the line will be assumed creditable and an employer contribution is calculated for the line. As with a contribution error line, the CalSTRS calculated value will also display below a line with a creditable earnings error but the variance for that line may be zero.

The total for the type of variance, member, employer and payroll deduction receivables are displayed at the bottom of the page. After identifying the variance amount(s), review the detail lines to determine if there are any errors in any of the following: member codes, assignment codes, earnings, member rates, member contribution amounts, employer rates, and employer contribution amount. If the detail line contains a variance, it should be reversed and re-reported correctly in a subsequent period in order to resolve the contribution line variance.

If there are no detail contribution lines showing a variance, review the totals at the bottom of the page. If there is a variance between the reported employer contribution and CalSTRS calculated employer contribution for the page, there may be an error in the reported employer contributions. Contribution lines must be reported with the correct contribution rate for the fiscal year of service. Review the CalSTRS calculated rates to determine if an old line should have received a different contribution rate.

The total variance from the variance page detail report pages for each report unit should sum to the variance for that report unit on the Unit Variance Report. The earnings and total contributions from these detail pages will not sum to the Unit totals since only pages with a variance are produced. The employer contribution totals on the Variance Page Detail Report and Unit Variance Report are accepted as reported and any resulting variance should sum if reported correctly.

The following two examples are representative samples only and do not reflect the full variance on the prior reports.

Variance Page Detail Report ⁽⁵⁾

REPORTING INTERACTIONS ***** STATE TEACHERS' RETIREMENT SYSTEM ***** Page No. : 1
 ARIVR5R1 - VARIANCE PAGE DETAIL REPORT - Date : 10/06/2006 09:03:16

Report Source : XXXXX ABC COUNTY OFFICE OF EDUCATION
 Report Unit : XX003 ABC COUNTY SUPERINTENDENT
 Report Period : 05 Supplemental Seq Nbr:
 Fiscal Year : 2005 2006 Media ID: STM0000009999 Page Number: 0001

SSN	NAME	MB	AS	PAY	EARNINGS	POST-TAX MEMBER CONTRIBUTIONS	PRE-TAX MEMBER CONTRIBUTIONS	SERVICE PERIOD BEGIN	SERVICE PERIOD END	R	EMPLOYER	CE
CD	CD	RATE	CD	RATE	RATE	CD	AMOUNT	RATE	AMOUNT	C	ERR
XXX-XX-1111	COLLETT JON	1 47	69,346.00	0	5,824.05	0.00 1	0.00	8.00	465.92	11-01-2005	11-30-2005	* 8,2500 480.48
XXX-XX-1111	COLLETT JON	1 45	224.65	0	224.65	0.00 6	0.00	8.00	20.97	11-01-2005	11-30-2005	* 8,2500 18.53
		POST TAX VARIANCE:		0.00	0.00	0.00	0.00	8.00	17.97	PRE TAX VARIANCE:		3.00-
XXX-XX-2222	COOPER CAR	2 61	90.00	8	90.00	0.00 3	0.00	0.00	0.00	10-01-2005	10-31-2005	* 8,2500 0.00
XXX-XX-3333	CRAWFORD BEN	1 47	52.93	0	52.93	0.00 6	0.00	8.00	4.23	11-01-2005	11-30-2005	* 8,2500 4.37
XXX-XX-4444	DOMINICI ED	1 47	5,737.17	1	5,737.17	0.00 1	0.00	8.00	458.97	11-01-2005	11-30-2005	* 8,2500 473.32
XXX-XX-3333	CRAWFORD BEN	1 47	5,778.83	1	5,778.83	0.00 1	0.00	8.00	462.31	11-01-2005	11-30-2005	* 8,2500 476.75
XXX-XX-5555	BELDON DAP	2 61	90.00	8	180.00	0.00 3	0.00	0.00	0.00	10-01-2005	10-31-2005	* 8,2500 0.00
XXX-XX-6666	DAL PORTO MAR	2 54	90.00	8	90.00	0.00 3	0.00	0.00	0.00	10-01-2005	10-31-2005	* 8,2500 0.00
XXX-XX-7777	BROWN ROS	1 45	68,320.00	0	3,416.00	0.00 1	0.00	8.00	273.28	11-01-2005	11-30-2005	* 8,2500 281.82
XXX-XX-8888	DENHAM ALD	2 61	90.00	8	315.00	0.00 3	0.00	0.00	0.00	10-01-2005	10-31-2005	* 8,2500 0.00
XXX-XX-9999	ALLEN MAR	2 54	90.00	8	45.00	0.00 3	0.00	0.00	0.00	10-01-2005	10-31-2005	* 8,2500 3.71 *
		POST TAX VARIANCE:		0.00	0.00	0.00	0.00	0.00	0.00	PRE TAX VARIANCE:		0.00
XXX-XX-0000	BONITO LIS	1 47	5,778.83	1	5,778.83	0.00 1	0.00	8.00	462.31	11-01-2005	11-30-2005	* 8,2500 476.75
XXX-XX-0000	BONITO LIS	1 45	40,953.57	0	79.93	0.00 3	0.00	8.00	6.39	10-01-2005	10-31-2005	* 8,2500 6.59
XXX-XX-1111	EDICK JOY	1 57	5,086.09	2	5,086.09	0.00 1	0.00	8.00	406.89	11-01-2005	11-30-2005	* 8,2500 419.60
XXX-XX-2222	DEWALT SUS	1 57	4,098.64	2	1,812.64	0.00 1	0.00	8.00	145.01	11-01-2005	11-30-2005	* 8,2500 149.54
XXX-XX-3333	ADAIR TIM	1 45	64,138.00	0	1,962.00	0.00 3	0.00	8.00	156.96	10-01-2005	10-31-2005	* 8,2500 161.87
XXX-XX-3333	ADAIR TIM	1 47	5,344.83	1	5,344.83	0.00 1	0.00	8.00	427.59	11-01-2005	11-30-2005	* 8,2500 440.95
XXX-XX-4444	DAIDONE DON	1 54	16,470.00	0	90.00	0.00 3	0.00	8.00	7.20	10-01-2005	10-31-2005	* 8,2500 7.43
XXX-XX-5555	DEWALT STE	1 57	3,679.36	2	3,679.36	0.00 1	0.00	8.00	294.35	11-01-2005	11-30-2005	* 8,2500 303.55
XXX-XX-5555	DEWALT STE	1 57	147.61	0	147.61	0.00 6	0.00	8.00	11.81	11-01-2005	11-30-2005	* 8,2500 12.18
XXX-XX-6666	CAMPBELL JOE	1 57	147.61	0	147.61	0.00 6	0.00	8.00	11.81	11-01-2005	11-30-2005	* 8,2500 12.18
XXX-XX-7777	BERG ROB	2 61	90.00	8	45.00	0.00 3	0.00	0.00	0.00	10-01-2005	10-31-2005	* 8,2500 0.00
XXX-XX-6666	CAMPBELL JOE	1 57	5,496.90	2	5,496.90	0.00 1	0.00	8.00	439.75	11-01-2005	11-30-2005	* 8,2500 453.49
XXX-XX-8888	DEWALT CHR	1 47	5,778.83	1	5,778.83	0.00 1	0.00	8.00	462.31	11-01-2005	11-30-2005	* 8,2500 476.75
XXX-XX-8888	DEWALT CHR	1 47	52.93	0	52.93	0.00 6	0.00	8.00	4.23	11-01-2005	11-30-2005	* 8,2500 4.37
XXX-XX-9999	BROWN LIE	2 54	90.00	8	225.00	0.00 3	0.00	0.00	0.00	10-01-2005	10-31-2005	* 8,2500 0.00
XXX-XX-0000	CARLSON BOB	1 45	63,638.00	0	4,242.53	0.00 1	0.00	8.00	339.40	11-01-2005	11-30-2005	* 8,2500 350.01

PAGE NBR	LINE COUNT	TOTAL EARNINGS	CREDITABLE EARNINGS	POST-TAX MBR CONTRIBUTIONS	PRE-TAX MBR CONTRIBUTIONS	RECEIVABLE CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS
STRS DETERMINED	0001	27	61,723.72	60,733.72	0.00	4,858.70	5,010.53
REPORTED		27	61,723.72	60,778.72	0.00	4,861.69	5,010.53
VARIANCE		0	0.00	45.00-	0.00	2.99-	0.00

Contribution error

Creditable earnings error

- This page shows an example of a creditable earnings error where the member code does not match the creditable earnings indicator. This may or may not result in a contribution variance.

EMPLOYER DIRECTIVE 2007-02
 January 24, 2007
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REPORTING INTERACTIONS ***** STATE TEACHERS' RETIREMENT SYSTEM ***** Page No. : 2
 ARIVR5R1 - VARIANCE PAGE DETAIL REPORT - Date : 10/06/2006 09:03:16

Report Source : XXXXX ABC COUNTY OFFICE OF EDUCATION
 Report Unit : XX003 ABC COUNTY SUPERINTENDENT
 Report Period : 05 Supplemental Seq Nbr:
 Fiscal Year : 2005 2006 Media ID: STM0000009999 Page Number: 0002

SSN	NAME	MB CD	AS CD	PAY RATE	CD	EARNINGS	POST-TAX MEMBER CONTRIBUTIONS		PRE-TAX MEMBER CONTRIBUTIONS		SERVICE PERIOD	SERVICE PERIOD	R	EMPLOYER RATE	CE AMOUNT	ERR	
							RATE	CD	AMOUNT	RATE	AMOUNT	BEGIN	END				C
XXX-XX-1111	FULLER JOE	1	47	234.82	0	234.82	0.00	6	0.00	8.00	18.79	11-01-2005	11-30-2005	*	8,250.00	19.37	
XXX-XX-1111	FULLER JOE	1	45	40,953.57	0	167.85	0.00	3	0.00	8.00	13.43	10-01-2005	10-31-2005	*	8,250.00	13.85	
XXX-XX-1111	FULLER JOE	1	47	4,226.83	1	4,226.83	0.00	1	0.00	8.00	338.15	11-01-2005	11-30-2005	*	8,250.00	348.71	
XXX-XX-2222	HAYES AND	1	47	5,138.83	1	5,138.83	0.00	1	0.00	8.00	411.11	11-01-2005	11-30-2005	*	8,250.00	423.95	
XXX-XX-2222	HELTON MIL	2	54	90.00	8	180.00	0.00	3	0.00	0.00	0.00	10-01-2005	10-31-2005	*	8,250.00	0.00	
XXX-XX-3336	GREEN RAS	1	47	5,778.83	1	5,778.83	0.00	1	0.00	8.00	462.31	11-01-2005	11-30-2005	*	8,250.00	476.75	
XXX-XX-3333	GREEN RAS	1	47	52.93	0	52.93	0.00	6	0.00	8.00	4.23	11-01-2005	11-30-2005	*	8,250.00	4.37	
XXX-XX-4444	GOODALL IZZ	1	47	5,097.33	1	5,097.33	0.00	1	0.00	8.00	407.79	11-01-2005	11-30-2005	*	8,250.00	420.53	
XXX-XX-5555	HICKS JOH	1	47	5,737.17	1	5,737.17	0.00	1	0.00	8.00	458.97	11-01-2005	11-30-2005	*	8,250.00	473.32	
XXX-XX-6666	GREENER CHU	1	36	16,470.00	0	90.00	0.00	3	0.00	8.00	7.20	10-01-2005	10-31-2005	*	8,827.00	1,453.81	
POST TAX VARIANCE:						0.00	0.00		0.00	8.00	1,317.60	PRE TAX VARIANCE:			1,310.40		
XXX-XX-7777	HEWITT MOT	1	47	5,778.83	1	5,778.83	0.00	1	0.00	8.00	462.31	11-01-2005	11-30-2005	*	8,250.00	476.75	
XXX-XX-7777	HEWITT MOT	1	47	42.76	0	42.76	0.00	6	0.00	8.00	3.42	11-01-2005	11-30-2005	*	8,250.00	3.53	
XXX-XX-8888	JEFFRIES SAM	1	57	4,565.64	2	4,565.64	0.00	1	0.00	8.00	365.25	11-01-2005	11-30-2005	*	8,250.00	376.67	
XXX-XX-9999	GATES TIM	2	61	374.43	8	2,246.58	0.00	3	0.00	0.00	0.00	10-01-2005	10-31-2005	*	8,250.00	0.00	
XXX-XX-0000	HOBBS LAU	1	57	58.04	0	58.04	0.00	6	0.00	8.00	4.64	11-01-2005	11-30-2005	*	8,250.00	4.79	
XXX-XX-1111	GOGGANS STE	1	45	62,891.00	0	3,342.00	0.00	3	0.00	8.00	267.36	10-01-2005	10-31-2005	*	8,250.00	275.72	
XXX-XX-1111	GOGGANS STE	1	47	5,240.92	1	5,240.92	0.00	1	0.00	8.00	419.27	11-01-2005	11-30-2005	*	8,250.00	432.38	
XXX-XX-2222	FINE DEA	1	55	42,562.00	0	2,321.56	0.00	1	0.00	8.00	185.72	11-01-2005	11-30-2005	*	8,250.00	191.53	
XXX-XX-2222	FINE DEA	1	55	217.54	0	217.54	0.00	6	0.00	8.00	17.40	11-01-2005	11-30-2005	*	8,250.00	17.95	
XXX-XX-3333	JAMES KIM	1	54	16,470.00	0	360.00	0.00	3	0.00	8.00	28.80	10-01-2005	10-31-2005	*	8,250.00	29.70	
XXX-XX-4444	FRITZ SCO	2	54	90.00	8	45.00	0.00	3	0.00	0.00	0.00	10-01-2005	10-31-2005	*	8,250.00	0.00	
XXX-XX-5555	KEE LIN	1	47	5,778.83	1	5,778.83	0.00	1	0.00	8.00	462.31	11-01-2005	11-30-2005	*	8,250.00	476.75	
XXX-XX-6666	HOBBS LAU	1	57	3,835.09	2	3,835.09	0.00	1	0.00	8.00	306.81	11-01-2005	11-30-2005	*	8,250.00	316.39	
XXX-XX-7777	KEE LIN	1	47	52.93	0	52.93	0.00	6	0.00	8.00	4.23	11-01-2005	11-30-2005	*	8,250.00	4.37	
XXX-XX-8888	LUNDQUIST WIL	1	47	7,034.25	1	7,034.25	0.00	1	0.00	8.00	562.74	11-01-2005	11-30-2005	*	8,250.00	580.33	
XXX-XX-9999	LEVENSON JUD	1	44	16,470.00	0	630.00	0.00	3	0.00	8.00	50.40	10-01-2005	10-31-2005	*	8,250.00	51.98	
XXX-XX-0000	ELLIOTT MAR	1	47	5,778.83	1	5,778.83	0.00	1	0.00	8.00	462.31	11-01-2005	11-30-2005	*	8,250.00	476.75	

RWP contribution error

	PAGE NBR	LINE COUNT	TOTAL EARNINGS	CREDITABLE EARNINGS	POST-TAX MBR CONTRIBUTIONS	PRE-TAX MBR CONTRIBUTIONS	RECEIVABLE CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS
STRS DETERMINED	0002	27	74,033.39	87,941.81	0.00	7,035.34	0.00	7,350.23
REPORTED		27	74,033.39	87,941.81	0.00	5,724.95	0.00	5,903.87
VARIANCE		0	0.00	0.00	0.00	1,310.39	0.00	1,446.36

- For the purpose of illustration, fields calculated by CalSTRS are hi-lighted. The remaining fields are summed from the F496 detail lines unless otherwise noted.
- This page provides an example of an RWP line that was reported using the creditable earnings instead of the pay rate for calculating contributions. This error will result in both a member and employer contribution variance.

Summary of Variance Reports

The Source Variance, FYTD Source Variance, Unit Variance and Variance Page Detail Reports tie together to assist with identification of the unit and possible individual contribution lines that cause a contribution line variance. The variances in the Variance Page Detail Report for each unit sum to the variance in Unit Variance Report for that unit as well as the variance in the Unit Variance Summary Report. All of the Unit variances will total the source variance in the Source Variance Reports. These variances are all part of contribution line variance. The FYTD Variance Report compares the total of the contribution line variance to the cash remitted for the period. The difference between the reported contributions and remittance is the cash variance.

Note: Due to rounding differences in the way detail lines and totals are calculated on the variance reports, the sum of detail numbers and the associated total may be off by a few cents.

Below is an example of the total calculations based on the example reports:

CONTRIBUTION	AMOUNT
CalSTRS Calculated	\$1,083,046.89
Reported Amount	\$1,080,293.77
Total Period Remittance(s)	\$1,069,377.84

<u>Contribution line Variance</u> (Calculated vs. Reported)	
\$1,083,046.89 - \$1,080,293.77	\$2,753.12

<u>Cash Variance</u> (Reported vs. Cash)	
\$1,080,293.77 - \$1,069,377.84	\$10,915.93

TOTAL Variance	\$13,669.05
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----- OR -----

<u>CalSTRS Calculated</u>	
\$1,083,046.89	\$1,083,046.89
<u>Total Period Remittances</u>	
\$1,069,377.84	\$1,069,377.84

TOTAL Variance	\$13,669.05
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Contribution Line Variance Download File

This file offers the ability to sort contribution line variance details for analysis. This file is intended for import into a spreadsheet tool such as MS Excel for this purpose.

ACTION

Before you begin, decide where you will store copies of the downloaded reports. You may want to create a new folder for this purpose on your own computer hard drive or on your organization's shared drive. It is recommended that you have Microsoft Excel or Microsoft Access installed on your computer to fully utilize this report.

Instructions

The Secure Employer Website (SEW) will be implemented in early 2007 to enable CalSTRS and employers to communicate electronically in a secure environment. Retrieve the desired download report from the SEW. (The file will be distributed by email until the SEW is operational.) Save the report in the location of your choosing. If using Microsoft Excel, follow the instructions below.

- 1) Open a new spreadsheet in Microsoft Excel.
- 2) Place your cursor in the first cell (A1).
- 3) Select the "Data" option on the Toolbar at the top of the spreadsheet.
- 4) Select "Import External Data."
- 5) Select "Import Data."
- 6) On the "Select Data" pop-up screen, navigate to the same folder that you used to save the download report.
- 7) Select the download report from the list.
- 8) Select "Open."
- 9) On the "Text Import Wizard" pop-up screen, select "Delimited" as the Original Data Type.
- 10) Select "Next."
- 11) Under "Delimiters," unselect "Tab" and select "Comma."
- 12) Select "Next."
- 13) On the next popup screen, select "Finish."
- 14) On the "Import Data" popup screen, select "OK."
- 15) The download data will be inserted into the spreadsheet. Column headings will populate the first imported row.
- 16) Save the spreadsheet with the name you have chosen to the folder you have chosen.

After completing these steps, you can use Microsoft Excel's standard features to sort and analyze the data according to your needs.

Questions concerning this directive should be addressed to Contributions and Collections, Steve Fagundes at (916) 229-3925, Melissa Da Ronco at (916) 229-3980, or by email at AccountControl@CalSTRS.com

Jack Ehnes
Chief Executive Officer

Attachment

Report Heading Key

Heading	Meaning
STRS-CLIENT-ID	Contribution line CalSTRS Client Identifier for the member
STRS-ACCT-ID	Contribution line CalSTRS Account Identifier for the member
STRS-MEDIA-ID	CalSTRS Media Identifier that the contribution was reported on
RPT-SRC-CD	CalSTRS report source code for the Employer
FISCAL-YR	Fiscal Year that the Media Identifier relates to
SUPPL-PREFIX	Indicator that signifies Normal or Supplemental Media report
RPT-PERIOD	Report Period or Supplemental sequence number of this Media
RPT-UNIT-ID	Report Unit Code
RPT-UNIT-DESC	Name that describes the Report Unit
TAX-ID	SSN of the member reported on this line
NAME	Name of the member in "Last Name, First Name" sequence
MBR-CODE-EXT	Member code
ASGN-CODE-EXT	Assignment Code
PAY-RATE	Pay Rate
PAY-CODE-EXT	Pay Code
EARNINGS	Reported Earnings
POST-TAX-CNTRB-RATE	Reported Post Tax Contribution Rate
POST-TAX-CNTRB-AMT	Reported Post Tax Contribution Amount
CALCED-POST-TAX-CNTRB-RATE	CalSTRS determined Post Tax Contribution Rate
CALCED-POST-TAX-CNTRB-AMT	CalSTRS calculated Post Tax Contribution Amount
POST-TAX-VARIANCE-AMT	Post Tax Variance Amount (CalSTRS calculated minus reported)
PRE-TAX-CNTRB-RATE	Reported Pre Tax Contribution Rate
PRE-TAX-CNTRB-AMT	Reported Pre Tax Contribution Amount
CALCED-PRE-TAX-CNTRB-RATE	CalSTRS determined Pre Tax Contribution Rate
CALCED-PRE-TAX-CNTRB-AMT	CalSTRS determined Pre Tax Contribution Amount
PRE-TAX-VARIANCE-AMT	Pre Tax Variance Amount (CalSTRS calculated minus Reported)
CNTRB-CODE-EXT	Contribution Code
STRS-EMPLOYER-CNTRB-RATE	CalSTRS determined Employer Contribution Rate
STRS-EMPLOYER-CNTRB-AMT	CalSTRS calculated Employer Contribution Amount
SVC-PERIOD-BEG	Reported Service Period Begin Date
SVC-PERIOD-END	Reported Service Period End Date
CRDTBL-ERNGS-DISCREPANCY-IND	Field to indicate a discrepancy between reported creditable earnings and CalSTRS determined creditable earnings line