



California State Teachers'  
Retirement System  
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June 2, 2008

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

FROM: Jack Ehnes  
Chief Executive Officer

SUBJECT: Employer Directive 2008-03  
Reporting Contributions Changes to the Defined Benefit Program

### **PURPOSE**

The purpose of this directive is to inform employers of **changes** to the reporting of contributions to CalSTRS' Defined Benefit Program that are required as a result of Subdivision (e) of Section 22115, Section 22106.2 and Subdivisions (a) and (c) of Section 22138.5 of the Education Code.

Effective July 1, 2009, CalSTRS will require reporting of **Classification Code and Base Hours** on the Monthly and Supplemental Reports of Retirement Contributions (F496 files) for members employed by a community college in part-time or adult education assignments.

### **SCOPE**

This directive applies to all community college districts that employ part-time and adult education instructors performing creditable service under CalSTRS' Defined Benefit Program.

### **DISCUSSION**

Subdivision (e) of Section 22115 of the Education Code, which was added by AB 1586 (Chapter 442, Statutes of 2004) and amended by SB 1465 (Chapter 654, Statutes of 2006), requires CalSTRS to recalculate the benefits of part-time and adult education instructors who were members of CalSTRS' Defined Benefit Program, employed by a community college prior to July 1, 1996 that subsequently reduced the minimum standard for full time, and retired on or after that date. The purpose of the recalculation is to address a possible inadvertent reduction in benefits.

Section 22106.2 of the Education Code defines base hours as, "... the number of hours of creditable service required to earn one year of service credit."

Subdivision (a) of Section 22138.5 of the Education Code states: “‘Full Time’ means the days or hours of creditable service the employer requires to be performed by a class of employees in a school year in order to earn the compensation earnable as defined in Section 22115 and specified under the terms of a collective bargaining agreement or employment agreement. Each collective bargaining agreement or employment agreement that applies to a member subject to the minimum standard specified in paragraph (5) or (6) of subdivision (c) shall specify the number of hours of creditable service that equal “full time” pursuant to this section, and shall make specific reference to this section.”

Subdivision (c) states in part that “[t]he minimum standard for full time in community colleges shall be as follows: ...

(5) “Five hundred twenty-five instructional hours per school year for all instructors employed on a part-time basis, except instructors specified in paragraph (6). If an instructor receives compensation for office hours pursuant to Article 10 (commencing with Section 87880) of Chapter 3 of Part 51, then the minimum standard established therein shall be increased appropriately by the number of office hours required annually for the class of employees.

(6) “Eight hundred seventy-five instructional hours per school year for all instructors employed in adult education programs. If an instructor receives compensation for office hours pursuant to Article 10 (commencing with Section 87880) of Chapter 3 of Part 51, then the minimum standard established herein shall be increased appropriately by the number of office hours required annually for the class of employees.”

For creditable service performed beginning July 1, 2009, classification code and base hour data will be required on each Monthly and Supplemental Report of Retirement Contributions (F-496 files) for part-time and adult education instructors.

Employer Directive 2007-06, dated July 30, 2007, required reporting of base hours on an annual basis. As of July 1, 2009, employers will no longer be required to provide base hours annually.

### **ACTION**

Monthly and Supplemental Reports of Retirement Contributions (F496 files) **must** contain the required classification codes and base hours beginning with the 2009/2010 fiscal year for every part time or adult education instructors at the community college.

Classification codes which must be reported are as follows:

- 01 Lab Instructor
- 02 Lecturer
- 03 Adult Education Instructor
- 04 Librarian
- 05 Counselor

EMPLOYER DIRECTIVE 2008-03

6/02/2008

Page 3 of 3

The attached file layout includes the new Classification Code and Base Hours data fields. These fields may be utilized at any time that is convenient to the employer, but are required for reporting creditable service performed beginning July 1, 2009.

CalSTRS' Employer Reporting Project is available to partner with employers on meeting these requirements. For assistance or questions, contact: [ERP@CalSTRS.com](mailto:ERP@CalSTRS.com) or call Deborah Long of Member Account Services at (916) 229-0713.

Attachment

**CONTRIBUTION LINE DETAIL (F496) DATA RECORD FORMAT**

Effective: 05/14/07

<b>RECORD POSITION</b>	<b>RECORD LENGTH</b>	<b>RECORD DESCRIPTION</b>
1-4	4	Fiscal Year – Four Digit Ending Fiscal Year For Example: 1998-99 = 1999
5-13	9	Employee Social Security Number (Does NOT include Total Lines)
14-23	10	Employee Last Name
24-31	8	Employee First Name
32-33	2	Employee Middle Initial(s)
34	1	Member Code
35-36	2	Assignment Code
37-44	8	Pay Rate – Extrapolated to Two Decimal Places
45	1	Pay Code
46-52	7	Earnings – Signed Negative if Credit
53-56	4	Member Contribution Rate (Post-Tax)
57	1	Contribution Code
58-63	6	Member Contribution Amount (Post Tax) – Signed Negative if Credit
64-71	8	Service Period Begin – CCYYMMDD
72-79	8	Service Period End – CCYYMMDD
80-83	4	Source Code (County)
84-86	3	Unit Code (District)
87-88	2	Report Period – July = 01, August = 02, September = 03, etc..., Supplemental = SU
89	1	Member Creditable Earnings Indicator Asterisk (*) to Denote Member Creditable Earnings
90	1	Type Code – L' to Denote Line Item
91-94	4	Member Contribution Rate (Pre-Tax)
95-100	6	Member Contribution Amount (Pre-Tax)
<b>101-102</b>	<b>2</b>	<b>Classification Code</b>
<b>103-108</b>	<b>6</b>	<b>Base Hours – Extrapolated to Two Decimal Places</b>
<b>109-110</b>	<b>2</b>	<b>CalSTRS USE ONLY</b>