

CalSTRS Creditable Service: Impact of AB 1505 on Teacher Service at Charter Schools

Chapter 486, Statutes of 2019 (Assembly Bill 1505), changed credentialing requirements in California charter schools. These legislative changes have raised questions regarding creditable service and mandatory membership requirements of teachers in the CalSTRS Defined Benefit and Cash Balance Benefit programs.

This Employer Circular does not take precedence over the law; it is meant to clarify creditable service and mandatory membership requirements for teachers performing service at charter schools, and the charter school's responsibilities of reporting that service to CalSTRS. If you have any questions regarding this circular, please contact CalSTRS Employer Help at EmployerHelp@CalSTRS.com.

This circular focuses on teacher service covered under the Defined Benefit Program. For information on service covered under the Cash Balance Benefit Program, please contact CalSTRS Employer Help.

Charter School Responsibilities

According to Education Code section 47611, if a charter school chooses CalSTRS, all employees of the charter school who perform *creditable service* shall be entitled to have that service covered under the CalSTRS Defined Benefit or Cash Balance Benefit programs and the provisions of Part 13 and Part 14 shall apply in the same manner as the provisions apply to other public schools. The charter school is responsible for enrolling and reporting employees who are performing *creditable service* as members, nonmembers or participants in the correct program and the correct benefit structure. When a charter school chooses to offer CalSTRS, the charter school is considered an employer and is subject to the Teachers' Retirement Law.

Creditable Service in the Defined Benefit Program

According to Education Code section 22119.5(a)(3), *creditable service* means any of the activities described in subdivision (b) performed under the provisions of an approved charter for a charter school employer that is eligible to receive state apportionment. One of the activities in subdivision (b) includes "the work of teachers, instructors, district interns, and academic employees employed in the instructional program for pupils, including special programs such as adult education, regional occupation programs, childcare centers, and prekindergarten programs pursuant to Section 22161." A complete list of creditable service activities can be found in subdivisions (b), (c) and (d) of Education Code section 22119.5.

Mandatory Membership in the Defined Benefit Program

As previously stated, when charter schools choose to offer CalSTRS, they are considered employers and are subject to the Teachers' Retirement Law. According to Education Code section 22501, any person who is employed by an employer to perform creditable service on a full-time basis shall become a member as of the first day of employment. According to Education Code sections 22502, 22503 and 22504, part-time contracted, substitute and part-time daily and hourly employees of an employer who cross a certain threshold also qualify for mandatory membership.

For more information on CalSTRS membership, please view directive ED2021-02 Enrollment in CalSTRS Benefit Programs at calstrs.com/employer-and-administrative-directives.

Impact of AB 1505

Due to the previous flexibility given to charter schools in Education Code section 47605, it was not necessary for some charter school teaching positions to require certification qualifications authorized by the Commission on Teacher Credentialing (CTC). Chapter 486, Statutes of 2019, removed some of that flexibility from Education Code section 47605, which now requires certain charter school teachers to hold the CTC certificate, permit or other document required for the teacher's certificated assignment.

Charter schools are required to hire teachers with the proper credentials and certificates in accordance with Education Code section 47605 and must provide documentation of compliance with certification qualifications or minimum standards to CalSTRS upon request pursuant to Education Code section 22458.5. Charter school teachers meeting the requirements of Education Code section 47605 are eligible for creditable service under Education Code section 22119.5. Employees in teaching positions performing creditable service on a full-time basis or crossing a part-time threshold have been and continue to be required to become members of the CalSTRS Defined Benefit Program pursuant to Education Code sections 22501, 22502, 22503 and 22504.

Please contact EmployerHelp@CalSTRS.com if you have current employees in teaching positions that have not been set up as members in CalSTRS. Should you have questions regarding whether employees at a charter school have or are required to have a CTC credential, please contact the California Department of Education or the CTC.

Resources

Additional resources regarding creditable service, membership and other provisions of the Teachers' Retirement Law are available online on the [Employer Support Portal](#). There you will find tools and resources such as Teachers' Retirement Law Job Aids and the link to the [Pension Administration Learning Management System](#) (PALMS) where you have access to computer-based training modules.

Please contact CharterSchoolQuestions@CalSTRS.com for any charter school-specific questions.