

Employer Information Circular

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EMPLOYER INVOICING IMPROVEMENTS FOR PURCHASES OF BENEFIT ENHANCEMENTS

The purpose of this circular is to introduce upcoming improvements to employer invoices for retirement benefit enhancement purchases, such as Excess Sick Leave, One Year Final Compensation for classroom teachers with less than 25 years of service credit, and Retirement Incentive (previously known as Golden Handshake) programs. Detailed information will be distributed in subsequent employer directives.

Employer Invoices for Purchase of Retirement Benefit Enhancements

Employers offering Excess Sick Leave, One Year Final Compensation for classroom teachers, and/or Retirement Incentive programs will receive newly formatted employer invoices in the Fall of 2007. The following changes will be made to the employer invoices:

- Invoices for retirement enhancements due and not yet paid will be sent to employers on the first of each month following the employee's retirement date.
- Payments for invoices will be due and payable upon receipt.
- The invoice will present current amounts due for all retirement enhancements purchased for employees retiring in the prior month sorted by benefit enhancement type and retiree.
- A past due invoice, sorted by benefit incentive type and retiree, will be mailed in subsequent months if payment is not received by the original invoice due date.
- Payroll and other information received by CalSTRS after the employees' retirement date may impact the amounts due for retirement enhancements. Amounts due or overpaid for retirement enhancements will be reflected on the next month's employer invoices.

Impacts

During the transition, beginning June 2007 and continuing until full implementation in the Fall of 2007, employers will receive a single invoice for each employee and benefit enhancement type. This will be a temporary increase in the number of invoices that employers will receive for retirement enhancements until implementation of the new invoices in the Fall of 2007. To assist employers in processing this increased number of invoices, CalSTRS will provide a cover letter and the invoices in one package monthly. The cover letter will summarize the employers' invoices by number and amount as well as include contact information.

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Improvements

CalSTRS expects the planned retirement enhancement invoicing changes to reduce the interest charges to employers on overdue retirement enhancement payments and eliminate many incorrect payments due to untimely invoicing.

For questions regarding this circular, please contact the Accounts Receivable Unit via e-mail address ar@calstrs.com or call (916) 229-4786.