

# Employer Information Circular

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## Community College Reporting to the Defined Benefit Program for Part-Time Faculty

The purpose of this circular is to provide guidance for community colleges regarding how to report earnings and contributions for part-time faculty.

The California State Teachers' Retirement System (CalSTRS) requires employers to report the annual compensation earnable and the compensation earned in order to calculate service credit. CalSTRS considers the payment method to be a local issue agreed upon between the employer and employee (or employee's bargaining unit). An employment agreement may specify how the compensation is earned and paid, such as hourly, daily, or equal monthly payments, but the earnings must be reported to CalSTRS with an annual pay rate.

In addition, part-time (non-contract) community college faculty *must* be reported using assignment code 58. However, substitute instructors in community colleges should be reported with assignment code 54. For more information see Employer Directive 2009-03, Community College Reporting Assignment Codes distributed in April 2009.

The Education Code provides for reporting that is accurate, timely, and results in a service credit calculation based upon compensation earned. Specifically,

- Section 23002 requires that contributions are due to CalSTRS *five working days* immediately following the period covered by the monthly report upon which the compensation earned during the period is being reported and from and upon which the contributions are due, and shall be delinquent on the *6th working day* thereafter. For example, contributions for the period beginning September 1 and ending September 30 are due to CalSTRS by October 7 and shall be delinquent on October 8.
- Section 23005 requires that monthly reports are due to CalSTRS *30 calendar days* immediately following the month in which the compensation being reported was earned, and are delinquent *15 calendar days* immediately thereafter. For example, the monthly report for the period beginning September 1 and ending September 30 is due to CalSTRS by October 30 and is delinquent on November 15.

The following are examples of monthly reporting lines for part-time faculty in community colleges who are compensated hourly, daily, or in equal monthly payments using the minimum standard as set forth by Education Code 22138.5. As of July 1, 2009, classification codes and base hours are to be reported to CalSTRS for part-time community college and adult education

instructors along with the standard reporting. For more information see Employer Information Circular Volume 25; Issue 8 dated May 6, 2009.

**Hourly Contract**

The formula to determine the annual pay rate for an hourly employee is:  
 Full time equivalent - (base hours/FTE) x hourly rate = annual pay rate

Rafael taught 25 hours in December. The FTE for part time in his community college is 525 instructional hours. His employment agreement states that he is paid \$45.00 per hour:

Annual pay rate = 525 hrs X \$45.00 = \$23,625.00

Earnings = 25 hours X \$45.00 = \$1,125.00

Mbr Code	Assign-ment Code	Pay		Earnings	Contribution			Service Period		Service Credit
		Rate	Code		Rate	Code	Amount	Begin	End	
1	58	23625.00	0	1125.00	.0800	1	90.00	1201	1231	0.0476

**Daily Contract**

The formula to determine the annual pay rate for a daily contract employee is:  
 daily rate ÷ number of hours per school day x base hours = annual pay rate

Bill taught 10 days in March. In his community college, the standard for a full day is 6.5 hours and the FTE for part time is 525 instructional hours. His employment agreement states that he is paid \$300.00 per day:

Annual pay rate = (\$300.00 ÷ 6.5 hrs) X 525 hrs = \$24,230.77

Earnings = \$300.00 X 10 days = \$3,000.00

Mbr Code	Assignment Code	Pay		Earnings	Contribution			Service Period		Service Credit
		Rate	Code		Rate	Code	Amount	Begin	End	
1	58	24230.77	0	3000.00	.0800	1	240.00	0301	0331	0.1238

**Monthly Contract**

The formula to determine the annual pay rate for a monthly employee is:

$$\text{Base hours} \times \text{hourly rate} = \text{annual pay rate}$$

Kathy taught one class (84 hours) for the school year. The FTE for part time in her community college is 525 instructional hours. Her employment agreement states that she is paid \$60.00 per hour in twelve equal monthly payments:

$$\text{Annual pay rate} = 525 \text{ hrs} \times \$60.00 = \$31,500.00$$

$$\text{Earnings} = \$60.00 \times 84 \text{ hrs} = \$5,040.00$$

$$\text{Monthly Earnings} = \$5,040.00 \div 12 \text{ monthly payments} = \$420.00$$

Mbr Code	Assignment Code	Pay		Earnings	Contribution			Service Period		Service Credit
		Rate	Code		Rate	Code	Amount	Begin	End	
1	58	31500.00	0	420.00	.0800	1	33.60	0901	0930	0.0133
1	58	31500.00	0	420.00	.0800	1	33.60	1001	1031	0.0133
1	58	31500.00	0	420.00	.0800	1	33.60	1101	1130	0.0133

Stan taught one class (12 days) during the Spring semester. In his community college, the standard for a full day is 6 hours and the FTE for part time is 525 instructional hours. His employment agreement states that he is paid \$325 per day in equal monthly payments:

$$\text{Annual pay rate} = (\$325.00 \div 6 \text{ hrs}) \times 525 \text{ hrs} = \$28,437.50$$

$$\text{Earnings} = 325.00 \times 12 \text{ days} = \$3,900.00$$

$$\text{Monthly Earnings} = \$3,900.00 \div 6 \text{ payments} = \$650.00$$

Mbr Code	Assignment Code	Pay		Earnings	Contribution			Service Period		Service Credit
		Rate	Code		Rate	Code	Amount	Begin	End	
1	58	28437.50	0	650.00	.0800	1	26.00	0101	0131	0.0114
1	58	28437.50	0	650.00	.0800	1	26.00	0201	0228	0.0114
1	58	28437.50	0	650.00	.0800	1	26.00	0301	0331	0.0114

Keep in mind that each district may adopt an FTE above the minimum standards (525 instructional hours for part-time faculty) set out in the Education Code. If your district has adopted an FTE that is higher, you must use your FTE to calculate how the annual pay rate should be reported. If you have any questions regarding this circular, please contact your CalSTRS Member Account Services Representative.