

# Employer Information Circular

Volume 19; Issue 11

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## Consolidation of Benefits

The purpose of this circular is to inform employers that employees who have benefit coverage under both the Defined Benefit (DB) Program and the Cash Balance (CB) Benefit Program may consolidate their benefit coverage under the DB Program. As part of the consolidation process, funds in the CB Benefit Program account will be transferred to the member's DB account and the CB Benefit Program account will be closed.

Members who elect to consolidate benefit coverage must be active members of the DB Program and must have ceased all CB service within the California public school system. CalSTRS requires the member's current employer to certify in writing that the member is currently performing creditable service under the DB Program. Written certification is also required from all former CB Benefit Program employers that the member is no longer performing service for under the CB Benefit Program. If the employee worked for more than one employer while covered under the CB Benefit Program, a separate certification is required for each employer. Written certifications must be provided on the forms CalSTRS developed for this purpose, the *Cash Balance Benefit Program Employment Certification* (CB 264a), and the *Defined Benefit Program Employment Certification* (CB 264b). Members must also complete the *Request to Consolidate Benefits* (CB 263). Copies of these forms are acceptable, but each copy must contain original ink signatures in all areas requiring a signature.

Completed forms should be mailed directly to:

California State Teachers' Retirement System  
P. O. Box 15275, MS-20  
Sacramento, CA 95851-0275

A copy of the forms, with instructions for completion, is attached. If you have any questions regarding this employer information circular or need additional information, please contact Janine Johnson, Manager of Cash Balance at (916) 229-3578, or Debbie Trujillo at (916) 229-0586.

Dear Defined Benefit Program Member:

Thank you for your inquiry regarding the consolidation of your benefit coverage under the Defined Benefit (DB) Program. This “consolidation” allows a member of the DB Program to receive credit under the DB Program for eligible service that was originally covered under the Cash Balance (CB) Benefit Program. In order to do this, you must:

- Be an **active** member of the DB Program
- Have **ceased all CB service** within the California public school system;
- Provide written certification from all former CB Benefit Program employers that you are no longer performing service covered under CB
- Provide written certification from your **current** employer that you are actively performing creditable service under the DB Program
- Provide a written request to consolidate benefits using the *Request to Consolidate Benefits* (CB 263)
- Understand that under a consolidation of benefits, credit for service originally covered under the CB Benefit Program may be prorated to ensure that you receive credit under the DB Program only for the service that can be covered by the available CB Benefit Program balance
- First apply your CB Benefit Program account balance to the consolidation of your benefits under the DB Program. The remaining account balance, if any, may be applied to the cost of other service you are eligible to purchase under the DB Program
- Be aware that your service credit under the DB Program may not exceed 1.000 for any one school year. For purposes of this limitation, the added service credit from the consolidation is applied to the year in which the service was performed, and does not affect your service credit **total** for the **current** year.

It is important for you to remember that once the consolidation of benefits is complete:

- ✓ You will no longer be eligible for a benefit from the CB Benefit Program; and,
- ✓ No funds will remain in your CB Benefit Program account.

There is a difference between the contribution rates under the DB and CB Programs. In order to consolidate benefit coverage under the DB Program, the difference between the contribution rates must be reconciled. This is likely to require you to pay additional monies if you wish to receive the maximum amount of service credit that can be added to your DB account. Alternatively, you can choose to receive only the service credit amount that your CB account will buy, rather than the maximum you could receive. Funds in your CB account must be applied to the consolidation of your coverage under the DB Program.

If you wish to proceed, please complete the attached *Request to Consolidate Benefits* and the *Cash Balance Benefit Program and Defined Benefit Program Employment Certifications*. Once the forms are received and eligible CB service is verified, you will receive an estimate of the cost to consolidate benefits and any additional contribution amount required.

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**Please note:** If you worked for more than one employer while covered under the CB Benefit Program, you must complete a *separate* CB Employment Certification for **each** employer. Additionally, a DB Employment Certification must be completed by the employer for whom you are **currently** performing creditable service under the DB Program. Copies of this form are acceptable, but each copy must contain original ink signatures in all areas requiring a signature.

Once all required forms have been completed, including certifications from *all former* CB employers, the forms should be mailed directly to:

California State Teachers' Retirement System  
P. O. Box 15275, MS-20  
Sacramento, CA 95851-0275

Upon verification of service and eligibility, you will receive an estimate of the cost to consolidate your benefit coverage under the DB Program. ***Please do not send any money to CalSTRS until you are instructed to do so.***

If you have questions, please call the CalSTRS Call Center at (800) 228-5453.

**Cash Balance Benefit Program**  
Consolidation of Benefits  
**REQUEST TO CONSOLIDATE BENEFITS**

INSTRUCTIONS

This form is used with the Employment Certifications and serves to request an estimate of the cost to consolidate your benefits under the Defined Benefit (DB) Program. Once these forms are completed and returned, CalSTRS will send you an estimate of the cost to consolidate your benefits. You can then decide if you wish to proceed with the consolidation of your benefits under the DB Program. To request a consolidation of benefits, you must be an active member of the DB Program and must have stopped all Cash Balance (CB) service.

Please read the instructions printed on the form carefully before completing the form. Complete all sections of the form, remembering to sign and date it at the bottom. If you need assistance, please telephone the CB Benefit Program at (916) 229-0554 or call the CalSTRS toll free number at (800) 228-5453.

*[Please note: Other forms you may wish to use as you consolidate your CB and DB benefits are the "Redeposit or Purchase of Permissive Or Nonqualified Service Credit" or "Out-of-State Service Credit Certificate." These can be downloaded from the CalSTRS Web site at [www.calstrs.com](http://www.calstrs.com)]*

1. Please provide as specific information as possible in each section of the form.
2. Read carefully the statement in Part C and sign and date the form.
3. Send this completed form together with the *Employment Certifications* for **each** CB employer and your **current** DB employer to:

California State Teachers' Retirement System  
P. O. Box 15275, MS-20  
Sacramento, CA 95851-0275

4. Keep a copy for your records.



**Cash Balance Benefit Program**  
 Consolidation of Benefits  
**REQUEST TO CONSOLIDATE BENEFITS**

CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM  
 P. O. Box 15275, MS-20, Sacramento, CA 95851-0275  
 (916) 229-0554 or toll free 1 (800) 228-5453  
 TDD Hearing Impaired (916) 229-3541

**PLEASE READ THE INSTRUCTIONS BEFORE COMPLETING THIS FORM**

The purpose of this form is to request an estimate of the cost to consolidate benefit coverage under the Defined Benefit Program. The information you provide will enable CalSTRS to prepare your estimate.

**PART A**

(To be completed by member)

<b>Social Security Number</b> - -	<b>Last Name</b>	<b>First</b>	<b>Initial</b>	<b>CalSTRS Use Only</b>
<b>Birthdate (mm/dd/yy)</b>	<b>Address</b>			
<b>Telephone Number</b> ( ) -	<b>City</b>	<b>State</b>	<b>Zip</b>	
<b>Current Employer (County/District)</b>				

**PART B**

(To be completed by member)

I request an estimate of the cost to consolidate my benefits under the Defined Benefit Program. I understand that further information and verification may be required. Please check one of the following:

I wish to request a consolidation of benefits under the Defined Benefit Program and to receive an estimate of the cost to consolidate these benefits.

I have no CB monies on account with CalSTRS, but wish to purchase prior CB service.

**PART C**

(To be completed by member)

I understand that my signature does not create an obligation on my part and is intended to request an estimate of the cost to purchase prior CB Benefit Program service and/or request an estimate of the cost to consolidate my benefits under the Defined Benefit Program.

**Signature of Member** **Date**

Please retain a copy for your records and send this completed *Request to Consolidate Benefits* to:  
 California State Teachers' Retirement System  
 P. O. Box 15275, MS-20, Sacramento, CA 95851-0275

**Cash Balance Benefit Program**  
Consolidation of Benefits  
**EMPLOYMENT CERTIFICATION**

**INSTRUCTIONS**

These forms are used with the *Request to Consolidate Benefits* and serve as verification that all Cash Balance (CB) Benefit Program service has been terminated and you are currently performing creditable service under the Defined Benefit (DB) Program. You must complete these forms and obtain signatures of the appropriate employers for your request to consolidate benefits to be processed.

Please read the following instructions carefully before completing this request. Complete all sections applicable to your situation. If you previously worked for more than one CB employer, you must complete multiple forms and have *each* employer certify prior employment. Additionally, you must have your current DB Program employer certify your current employment. If you need assistance completing these forms, or have questions regarding the process, please telephone (916) 229-0554 or call the CalSTRS toll free number at (800) 228-5453.

To request a consolidation of benefits, you must be an active member of the Defined Benefit Program and you must have **ceased** all CB service within the California public school system. Once the forms are received and eligible CB service is verified, you will receive an estimate of the cost to consolidate benefits and any additional contribution amount required.

***[Please note: Another form you may wish to use as you consolidate your CB and DB benefits is the "Redeposit Or Purchase of Permissive Or Nonqualified Service Credit." This form can be downloaded from the CalSTRS Web Site at [www.calstrs.com](http://www.calstrs.com)]***

In completing the forms please:

1. Provide as specific information as possible in each section of the form. If the exact employment dates of prior CB service are unknown, you may list the approximate month/year.
2. Have your CB employers complete and sign Part C of the *Cash Balance Benefit Program Employment Certification*. Remember to complete a separate *Cash Balance Benefit Program Employment Certification* for each of your CB employers.
3. Read carefully the statement in Part D of each form and sign and date the forms.
4. Send the completed Employment Certifications with the *Request to Consolidate Benefits* form to:

California State Teachers' Retirement System  
P. O. Box 15275, MS-20  
Sacramento, CA 95851-0275

5. Keep copies for your records.

**Cash Balance Benefit Program**

Consolidation of Benefits

**CASH BALANCE EMPLOYMENT CERTIFICATION**

**PLEASE READ THE INSTRUCTIONS BEFORE COMPLETING THIS FORM**

[There must be a *separate* form completed by each employer for whom you performed CB service]

**PART A**

*(This section to be completed by member)*

<b>Social Security Number</b> - -	<b>Last Name</b>	<b>First</b>	<b>Initial</b>	<b>CalSTRS Use Only</b>
<b>Birthdate (mm/dd/yy)</b>	<b>Address</b>			
<b>Telephone Number</b> ( ) -	<b>City</b>	<b>State</b>	<b>Zip</b>	

**PART B**

*(This section to be completed by member)*

<b>Information on Prior Cash Balance (CB) Benefit Program Service</b>	
<b>Dates of CB Service</b> (mm/dd/yy to mm/dd/yy)	<b>Employer</b>
_____	_____

**PART C**

**Employer Certification**

*(This section to be completed by employer for whom you performed CB service)*

*I certify that the above individual has terminated all CB Benefit Program related employment with this district. Additionally, I certify that the payroll information provided is accurate and complete.*

<b>Last Day of Paid Employment</b> (mm/dd/yy)	<b>Last Pay Date</b> (mm/dd/yy)	<b>County Name/Code</b>	<b>District Name/Code</b>
<b>Dates of Employment</b>	<b>School Official's Signature/Title &amp; Date</b>		<b>Contact Telephone Number</b> ( ) -

**PART D**

*(This section to be completed by member)*

I hereby request an estimate of the cost to consolidate my benefits under the Defined Benefit Program. Further, I certify under penalty of perjury under the laws of the State of California that the information submitted herein is complete and true according to the best of my knowledge and that no material facts have been omitted.

<b>Member's Signature</b>	<b>Date (mm/dd/yy)</b>
_____	_____

Please retain a copy for your records and send the completed *CB Benefit Program Employment Certification* to:  
California State Teachers' Retirement System  
P. O. Box 15275, MS-20, Sacramento, CA 95851-0275

**Cash Balance Benefit Program**

Consolidation of Benefits

**DEFINED BENEFIT EMPLOYMENT CERTIFICATION**

**PLEASE READ THE INSTRUCTIONS BEFORE COMPLETING THIS FORM**  
[This form must be completed by your employer to certify current DB employment]

**PART A**

*(This section to be completed by member)*

<b>Social Security Number</b> - -	<b>Last Name</b>	<b>First</b>	<b>Initial</b>	<b>CalSTRS Use Only</b>
<b>Birthdate (mm/dd/yy)</b>	<b>Address</b>			
<b>Telephone Number</b> ( ) -	<b>City</b>	<b>State</b>	<b>Zip</b>	

**PART B**

*(This section to be completed by member)*

<b>Information on Current Defined Benefit Program Service</b>	
<b>Dates of DB Service</b> (mm/dd/yy to mm/dd/yy)	<b>Employer</b>
_____	_____

**PART C**

**Employer Certification**

*(This section to be completed by the current employer for whom you are performing DB service)*

*I certify that the above individual is currently performing creditable service under the Defined Benefit Program. Additionally, I certify that the payroll information provided is accurate and complete.*

<b>Last Day of Paid Employment</b> (mm/dd/yy)	<b>Last Pay Date</b> (mm/dd/yy)	<b>County Name/Code</b>	<b>District Name/Code</b>
_____	_____	_____	_____
<b>Dates of Employment</b>	<b>School Official's Signature/Title &amp; Date</b>		<b>Contact Telephone Number</b> ( ) -
_____	_____		_____

**PART D**

*(This section to be completed by member)*

I hereby request an estimate of the cost to consolidate my benefits under the Defined Benefit Program. Further, I certify under penalty of perjury under the laws of the State of California that the information submitted herein is complete and true according to the best of my knowledge and that no material facts have been omitted.

<b>Member's Signature</b>	<b>Date (mm/dd/yy)</b>
_____	_____

Please retain a copy for your records and send the completed *DB Program Employment Certification* to:  
California State Teachers' Retirement System, P. O. Box 15275, MS-20  
Sacramento, CA 95851-0275