

## Reporting to the Defined Benefit Program for Part-Time Community College Faculty and Adult Education Instructors

The purpose of this circular is to remind and provide guidance for community college employers regarding how to report earnings and contributions for part-time faculty and adult education instructors.

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. 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. Contribution data must be reported within 30 calendar days from when it was earned. The Education Code, specifically sections 23002 and 23005, provides for reporting that is accurate, timely, and results in a service credit calculation based upon compensation earned.

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 on community college reporting, see Employer Directive 2009-03, Community College Reporting Assignment Codes distributed in April 2009.

The following are examples of monthly reporting lines for community college part-time faculty and adult education instructors who are compensated hourly, daily, or in equal monthly payments using the minimum standard as set forth by subsection (c) of Education Code 22138.5.

Keep in mind that each district may adopt a Full-Time Equivalent (FTE) hourly standard above the minimum hourly standards (525 instructional hours for community college part-time faculty and 875 for community college adult education instructors) set out in the Education Code. If your district has adopted a FTE hourly standard, also known as base hours, that is higher than the minimum hourly standard, you must use your FTE hours to calculate the annual pay rate reported.

Additionally, FTE is not reported based on teaching load or teaching units. It is the employer's responsibility to report FTE using the hours for each position which may require you to convert load or units to hours. Remember, the full time annual pay rate, or compensation earnable, is used in determining the member's annual service credit. Due to variable factors between community college districts, CalSTRS cannot calculate the FTE for employers.

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**Hourly Contract**

The formula to determine the annual pay rate for an hourly employee is:  
 FTE hours x hourly pay rate = annual pay rate

Rafael taught 25 hours in December. A full-time faculty member would teach 16 hours per week for 35 weeks. Therefore, the FTE for part time in his community college is 560 instructional hours. His employment agreement states that he is paid \$45.00 per hour:

Full-time equivalent = 16 hours per week x 35 weeks = 560 hours  
 Annual pay rate = 560 FTE hours x \$45.00 = \$25,200.00  
 Earnings = 25 hours x \$45.00 = \$1,125.00

Mbr Code	Assignment Code	Pay		Earnings	Contribution			Service Period		Service Credit
		Rate	Code		Rate	Code	Amount	Begin	End	
1	58	25200.00	0	1125.00	.0800	1	90.00	1201	1231	0.0446

**Daily Contract**

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

Bill is a community college adult education instructor who taught 10 days in March. In his district, the standard for a full day is 6.5 hours, and the FTE hours for community college adult education instructors is 875 instructional hours. His employment agreement states that he is paid \$300.00 per day:

Annual pay rate = (\$300.00 ÷ 6.5 hours) x 875 FTE hours = \$40,384.62  
 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	40384.62	0	3000.00	.0800	1	240.00	0301	0331	0.0743

**Monthly Contract**

Example 1:

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

FTE hours x hourly pay rate = annual pay rate

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

Annual pay rate = 525 hours x \$60.00 = \$31,500.00

Earnings = \$60.00 x 84 hours = \$5,040.00

Monthly Earnings = \$5,040.00 ÷ 12 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

Example 2:

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 hours for part-time in his community college is the minimum hourly standard of 525 instructional hours. His employment agreement states that he is paid \$325 per day in six equal monthly payments:

Annual pay rate = (\$325.00 ÷ 6 hours) x 525 hours = \$28,437.50

Earnings = 325.00 x 12 days = \$3,900.00

Monthly Earnings = \$3,900.00 ÷ 6 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	52.00	0101	0131	0.0228
1	58	28437.50	0	650.00	.0800	1	52.00	0201	0228	0.0228
1	58	28437.50	0	650.00	.0800	1	52.00	0301	0331	0.0228

As of July 1, 2009, classification codes and FTE hours, also known as base hours, are to be reported to CalSTRS for part-time community college and adult education instructors along with the standard reporting. Subdivision (a) of Education Code section 22138.5 states in part that each collective bargaining agreement or employment agreement that applies to a member subject to the minimum standard shall specify the number of hours of creditable service that equal “full time”. As of July 1, 2013, employers must submit copies of the agreement to CalSTRS. For more information see Employer Information Circular Volume 25; Issue 8 dated May 6, 2009 and Employer Directive 13-02.

Additionally, we want to remind employers of subdivision (e) of section 22115 of the California Education Code, which was enacted by Assembly Bill (AB) 1586 (Chapter 442, Statutes of 2004) and amended by Senate Bill (SB) 1465 (Chapter 654, Statutes of 2006). The SB 1465 amendments authorized the California State Teachers’ Retirement System (CalSTRS) to establish and implement certain factors and assumptions to determine the compensation earnable for a member employed by a community college prior to July 1, 1996. Implementation of this provision requires CalSTRS to *annually* collect the number of base hours applied to part-time community college and adult education instructors by class of employee. For more information on AB 1586 and SB 1465’s effects on Education Code Section 22115, please refer to Employer Directive 2008-05.

If you have any questions regarding this circular, please contact your CalSTRS Member Account Services Representative.