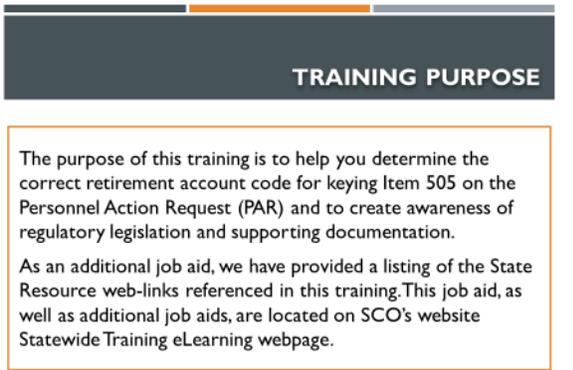
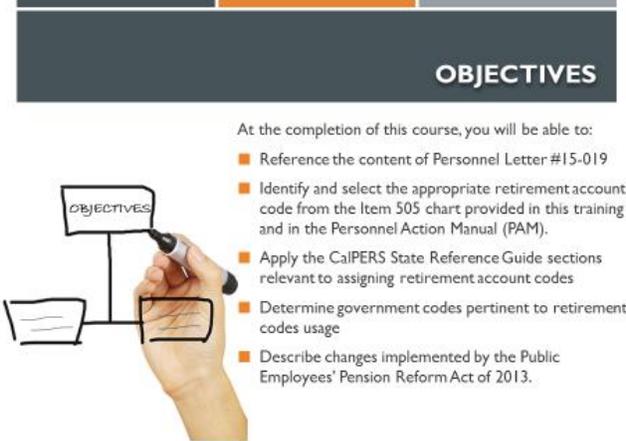
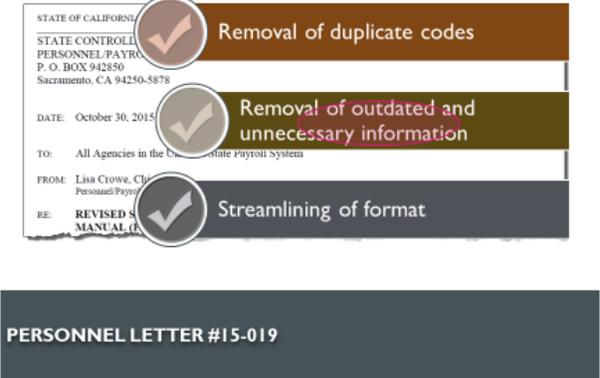
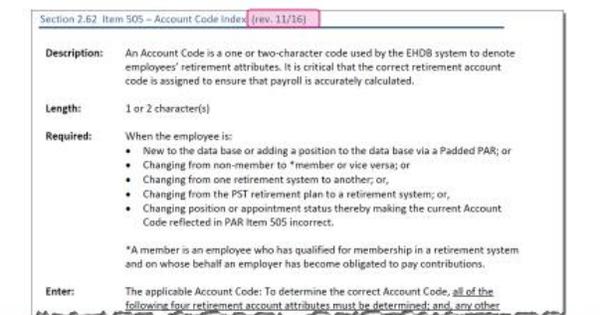
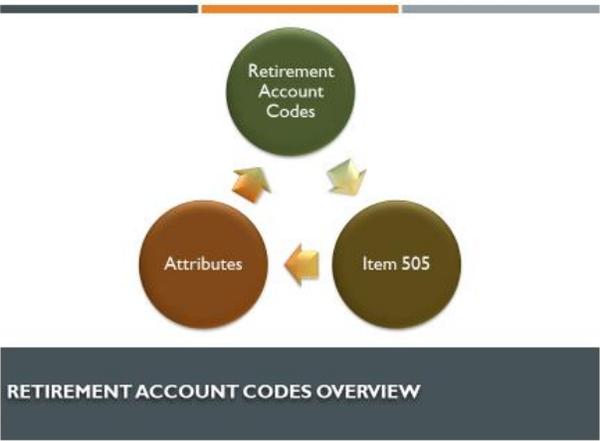
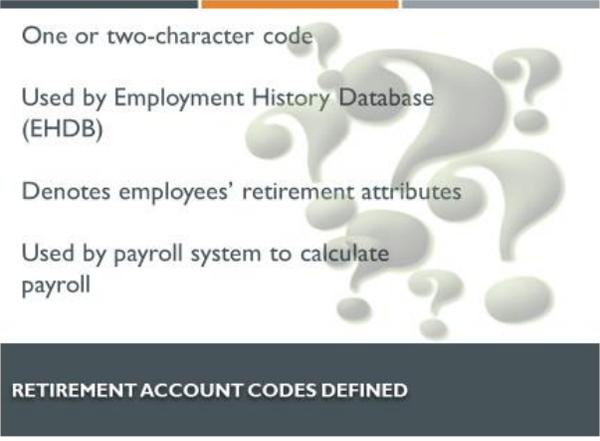
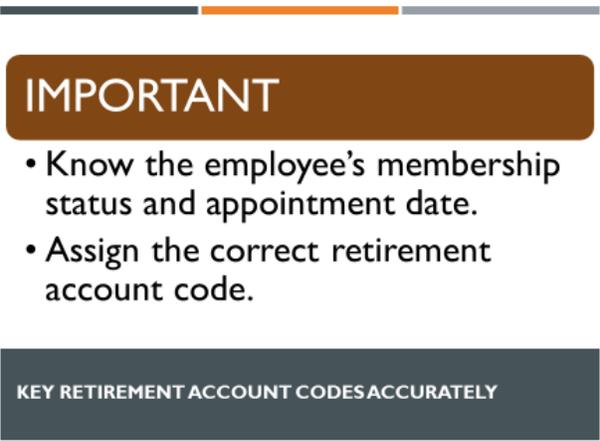
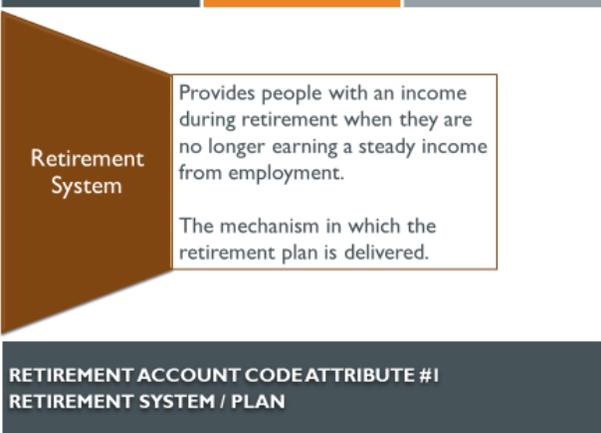


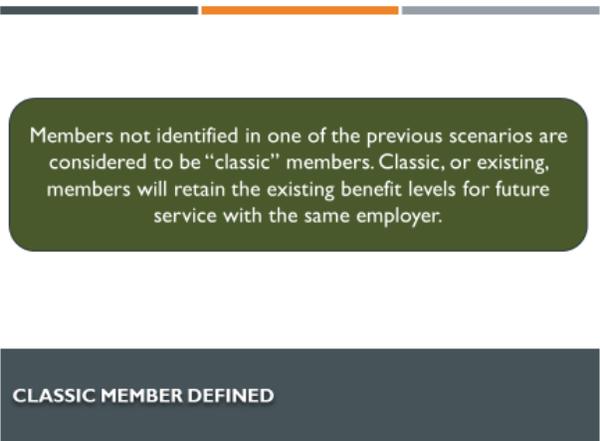
Pg	Slide	Content
1.		<p>Welcome to the State Controller’s Office Item 505 – Retirement Account Code training.</p> <p>We hope you find this eLearning beneficial and relevant. Should you have problems viewing or playing this eLearning program, please contact the Personnel/Payroll Training Services Unit at ppsdtraining@sco.ca.gov to request assistance.</p>
2.		<p>Training course materials are the exclusive property of the State Controller’s Office (SCO).</p> <p>Unauthorized copying and use of SCO training materials without the expressed written permission of the SCO Training Services and Security Section is prohibited.</p> <p>Please do not use training course materials in lieu of the appropriate legal and regulatory references.</p> <p>Thank you.</p>
3.		<p>The purpose of this training is to help you determine the correct retirement account code for keying Item 505 on the Personnel Action Request (PAR) and to create awareness of regulatory legislation and supporting documentation.</p> <p>As an additional job aid, we have provided a listing of the State Resource web-links referenced in this training. This job aid, as well as additional job aids, are located on SCO’s website Statewide Training eLearning webpage.</p>

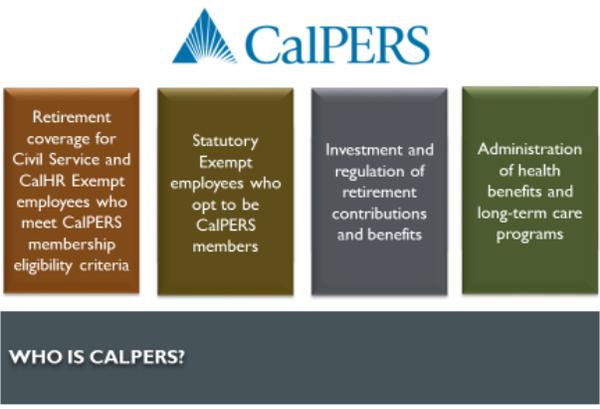
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4.	 <p>OBJECTIVES</p> <p>At the completion of this course, you will be able to:</p> <ul style="list-style-type: none"> ■ Reference the content of Personnel Letter #15-019 ■ Identify and select the appropriate retirement account code from the Item 505 chart provided in this training and in the Personnel Action Manual (PAM). ■ Apply the CalPERS State Reference Guide sections relevant to assigning retirement account codes ■ Determine government codes pertinent to retirement codes usage ■ Describe changes implemented by the Public Employees' Pension Reform Act of 2013. 	<p>At the completion of this course, you will be able to:</p> <p>Reference the content of Personnel Letter #15-019.</p> <p>Identify and select the appropriate retirement account code from the Item 505 chart provided in this training and in the Personnel Action Manual (PAM).</p> <p>Apply the CalPERS State Reference Guide sections relevant to assigning retirement account codes.</p> <p>Determine government codes pertinent to retirement codes usage, and,</p> <p>Describe changes implemented by the Public Employees' Pension Reform Act of 2013 known as PEPRA.</p>
5.	 <p>PERSONNEL LETTER #15-019</p>	<p>SCO's Personnel and Payroll Services Division, issued Personnel Letter #15-019 on October 30, 2015, outlining revisions to Item 505 of the PAM.</p> <p>To simplify the process of assigning the correct retirement account code, the following revisions were made:</p> <ul style="list-style-type: none"> • Removal of duplicate account codes, • Removal of outdated and unnecessary information, and • Streamlining of format. <p>Note: It is not necessary to remove employees from these old codes; however, no additional employees are to be keyed to the old codes.</p>
6.	 <p>PAM ITEM 505</p>	<p>Item 505 in the PAM was updated February 2016 stemming from the changes made to the retirement account codes that were outlined in Personnel Letter #15-019.</p> <p>The PAM Item 505, revised November 2016, is the most recent revision to the retirement account codes and should be referenced when determining an employee's retirement account code.</p> <p>Additionally, PAM Item 505 outlines basic definitions explained in this training.</p> <p>This training is designed to familiarize yourself with the content of Personnel Letter #15-019 and PAM Item 505 and assist you with selecting correct retirement account codes.</p>

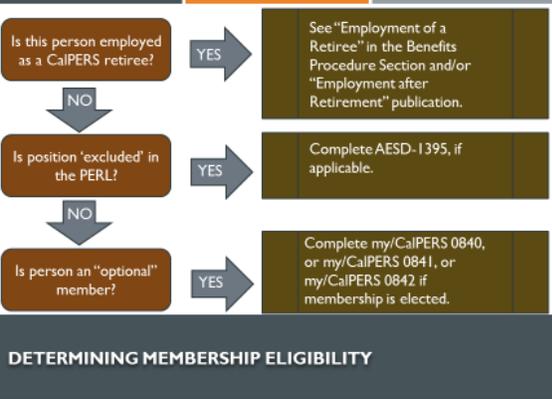
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7.	 <p>The diagram shows three interconnected circles: 'Retirement Account Codes' at the top, 'Attributes' at the bottom left, and 'Item 505' at the bottom right. Arrows indicate relationships between them. Below the diagram is a dark blue bar with the text 'RETIREMENT ACCOUNT CODES OVERVIEW'.</p>	<p>Let's begin our training with an overview of retirement account codes.</p>
8.	 <p>The slide lists four points: 'One or two-character code', 'Used by Employment History Database (EHDB)', 'Denotes employees' retirement attributes', and 'Used by payroll system to calculate payroll'. A large question mark graphic is in the background. Below is a dark blue bar with the text 'RETIREMENT ACCOUNT CODES DEFINED'.</p>	<p>What are retirement account codes and why do we use them?</p> <p>A retirement account code is a one or two-character code used by the Employment History Database (EHDB) to denote employees' retirement attributes.</p> <p>It is used by the payroll system to calculate payroll; for example, employee and employer retirement contributions.</p>
9.	 <p>The slide features a brown box with the word 'IMPORTANT' in white. Below it are two bullet points: 'Know the employee's membership status and appointment date.' and 'Assign the correct retirement account code.' At the bottom is a dark blue bar with the text 'KEY RETIREMENT ACCOUNT CODES ACCURATELY'.</p>	<p>It is very important to know the employee's membership status and appointment date when determining which retirement account code to use.</p> <p>It is also very important to assign the correct retirement account code as an incorrect code may cause an underpayment or overpayment of employee and/or employer contributions.</p> <p>The employer is responsible to know the basic eligibility rules and when to enroll their employees into membership in CalPERS. Government Code section 20283, subdivision (a), states: "Any employer that fails to enroll an employee into membership within 90 days of eligibility shall be required to pay all the arrears contributions (both employer and member) and a \$500 administrative fee per member to the System."</p> <p>The employer shall not pass on to an employee any costs assessed due to untimely enrollment for Government Code 20283.</p>

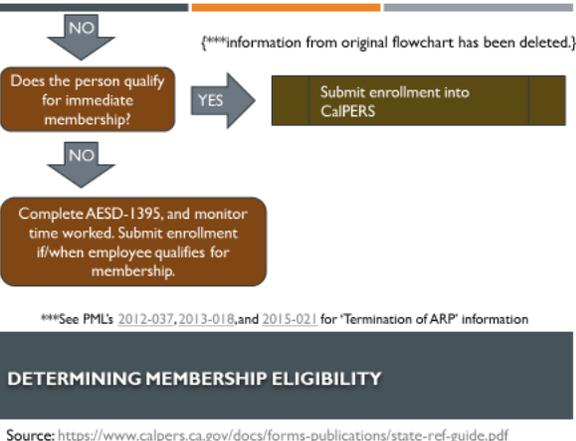
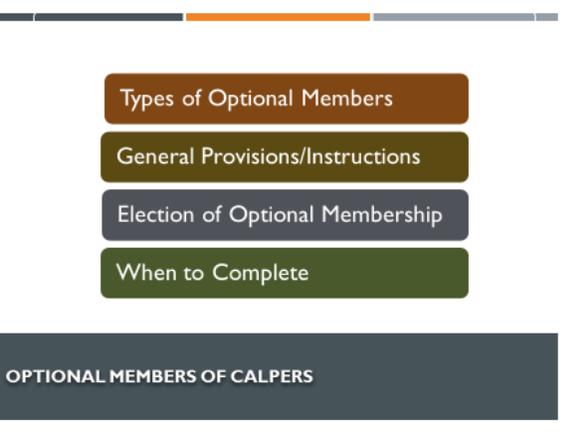
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10	<p>Slide 10 content includes a list of scenarios where a retirement account code is required:</p> <ul style="list-style-type: none"> New to the database or when a position is added to the database from a Padded PAR (Personnel Action Request, Standard Form 680A) Changing from non-member to member or vice versa Changing from one retirement system to another Changing from the part-time, seasonal, or temporary (PST) retirement plan to a retirement system Changing position or appointment status thereby making the current retirement account code reflected in PAR Item 505 incorrect <p>A callout note states: "Note: Whenever you key a PAR and Item 505 is open, refer to PAM Item 505 and confirm that the retirement account code assigned is the correct code for that employee."</p> <p>WHEN IS A RETIREMENT ACCOUNT CODE REQUIRED?</p>	<p>A retirement account code must be assigned when an employee is:</p> <ul style="list-style-type: none"> New to the database or when a position is added to the database from a Padded PAR (Personnel Action Request, Standard Form 680A) Changing from non-member to member or vice versa. (A member is an employee who has qualified for membership in a retirement system and on whose behalf an employer has become obligated to pay contributions. We will discuss this more thoroughly, later in the training.) Changing from one retirement system to another Changing from the part-time, seasonal, or temporary (PST) retirement plan to a retirement system, or, Changing position or appointment status thereby making the current retirement account code reflected in PAR ITEM 505 incorrect <p><u>Note:</u> Whenever you key a PAR and Item 505 is open, refer to PAM Item 505 and confirm that the retirement account code assigned is the correct code for that employee.</p>
11	<p>Slide 11 features a diagram showing 'Attributes' at the top, with arrows pointing to 'Item 505' and 'Retirement Account Codes' below. A callout box at the bottom reads 'RETIREMENT ACCOUNT CODE ATTRIBUTES'.</p>	<p>To determine the correct retirement account code, there are four retirement account code attributes, or properties, that must first be verified.</p>
12	<p>Slide 12 displays four trapezoidal shapes representing attributes: Retirement System, Member Group (Retirement Category), Tier, and OASDI Status. A callout box at the bottom reads 'RETIREMENT ACCOUNT CODE ATTRIBUTES'.</p>	<p>These four attributes are:</p> <ul style="list-style-type: none"> Retirement System or Plan Member Group or Retirement Category Tier OASDI (Old Age, Survivors, and Disability Insurance) Status <p>In this training, we will expand on each of these four attributes, and any other applicable criteria.</p>

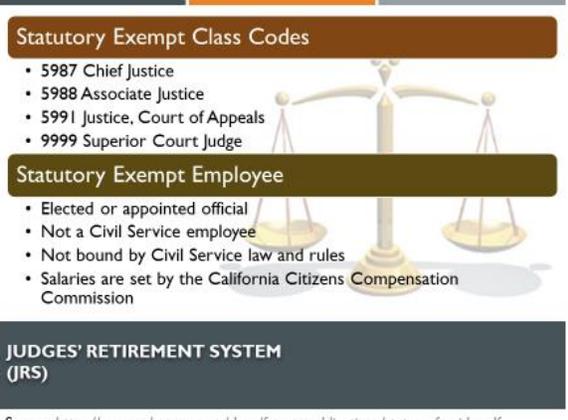
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13		<p>The first retirement account code attribute is Retirement System and/or Plan.</p> <p>Just what is a retirement plan and system?</p> <p>Simply stated, a retirement plan is an arrangement to provide people with an income during retirement when they are no longer earning a steady income from employment.</p> <p>A retirement system is the mechanism in which the retirement plan is delivered.</p>
14		<p>There are three types of retirement:</p> <p>Disability retirement for employees who can no longer perform the usual duties of their current position due to illness or injury</p> <p>Industrial disability retirement for safety members, or members whose agency contracts for this benefit, who are unable to perform the usual duties of their current position due to a job-related illness or injury</p> <p>Service retirement or “normal” retirement</p> <p>In this training, we are only addressing service retirement. If you would like more detailed information on Disability and Industrial Disability Retirement, visit the CalPERS Service and Disability Retirement web page referenced on the Resources slide of this training.</p>
15		<p>Service retirement is a lifetime benefit. In most cases, the employee can retire as early as age 50 with five years of service credit. However, if the employee became a member on or after January 1, 2013, they must be at least 52 years old to retire.</p> <p>All state agencies, including California State University and school employers, are treated as a single employer under the Public Employees' Pension Reform Act, or PEPR.</p>

Pg	Slide	Content
16		<p>And what is PEPRA?</p> <p>PEPRA, or the California Public Employee' Pension Reform Act, took effect in January 2013, and changed the way CalPERS retirement and health benefits are applied. It also placed compensation limits on its members. The greatest impact is felt by new CalPERS members.</p> <p>For more information on PEPRA, visit the CalPERS web page referenced on the Resources slide of this training.</p>
17		<p>PEPRA defines a new member as:</p> <p>A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who is not eligible for reciprocity with another California public retirement system.</p> <p>A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who has no prior membership in any California public retirement system.</p> <p>A member who first established CalPERS membership prior to January 1, 2013, and who is rehired by a different CalPERS employer after a break in service of greater than six months.</p>
18		<p>Members not identified in one of the previous scenarios are considered to be "classic" members. Classic, or existing, members will retain the existing benefit levels for future service with the same employer.</p>

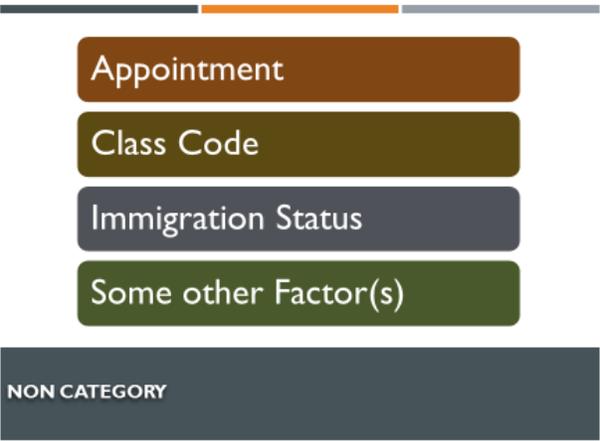
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19	 <p>CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS)</p>	<p>Now let's begin our review of state retirement systems, starting with the California Public Employees' Retirement System, or CalPERS.</p>
20	 <p>WHO IS CALPERS?</p>	<p>CalPERS is the state agency responsible for retirement coverage for Civil Service and CalHR Exempt employees who meet CalPERS membership eligibility criteria and for Statutory Exempt employees who opt to be CalPERS members. CalPERS is also responsible for the investment and regulation of retirement contributions and benefits, and for the administration of health benefits and long-term care programs.</p>
21		<p>CalPERS offers a defined benefit plan where retirement benefits are based on a formula, rather than contributions and earnings to a savings plan. Retirement benefits are calculated based on a member's years of service credit, age at retirement, and final compensation.</p> <p>Retirement formulas vary based on:</p> <ul style="list-style-type: none"> • Classification (e.g., miscellaneous, safety, industrial, patrol, or peace officer/firefighter) • Membership category (e.g., state, school, or public agency employer), and, • Specific provisions in the contract between your agency and CalPERS <p><u>Note:</u> Employees can create a profile on the CalPERS website that will calculate their retirement benefit using the above-defined parameters.</p>

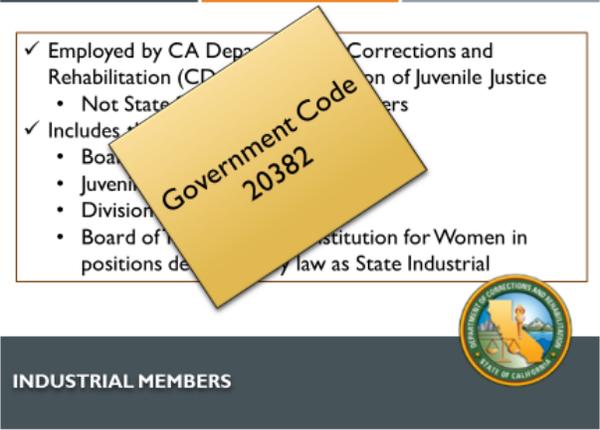
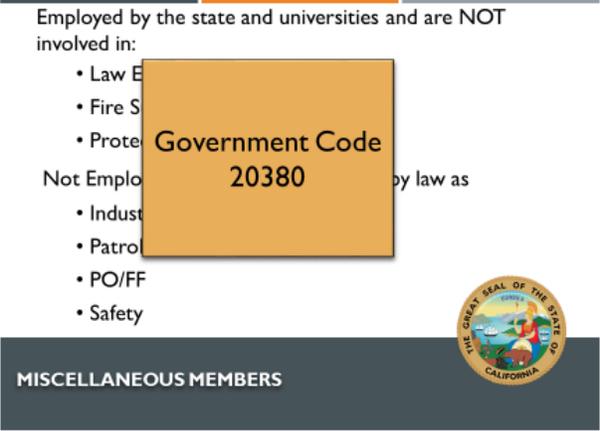
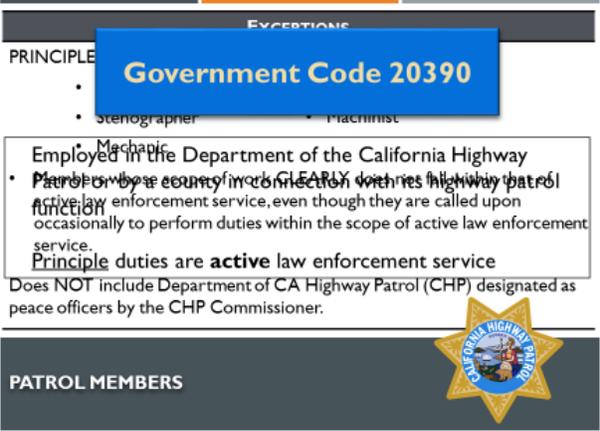
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22		<p>CalPERS developed a resource guide designed to assist you in your business transactions with them. This guide, titled the <i>State Reference Guide</i>, is useful to specialists who enroll employees into CalPERS membership or who convey benefit information to staff.</p> <p>This training section provides an overview of four of the seven reference guide sections that focuses specifically on helping you determine employee retirement eligibility. These four sections are CalPERS Membership Eligibility, Determining Membership Eligibility, Positions Excluded by Retirement Law from CalPERS Coverage, and Optional Members of CalPERS.</p> <p>Note: Employers are expected to be knowledgeable of all areas covered in the Guide, as well as in Circular Letters, and other standard CalPERS publications. If you encounter an unusual situation not addressed in any of these forums, contact the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377) in advance for advice about such situations, so that they may review the facts and advise you appropriately.</p>
23		<p>The <i>CalPERS Membership Eligibility</i> section of the State Reference Guide provides information on:</p> <ul style="list-style-type: none"> • Determining employees who are immediately eligible, • Which employees to monitor for eligibility during their employment, • Defines PEPR employees, • When not to report, • What happens when the employer fails to timely enroll a member, and • Defines arrears and how they are billed.
24	 <p>Source: https://www.calpers.ca.gov/docs/forms-publications/state-ref-guide.pdf</p>	<p>The <i>Determining Membership Eligibility</i> section of the State Reference Guide provides you with a flowchart that assists you in determining CalPERS membership eligibility.</p> <p>Read each question and follow the arrows as they pertain to each employee.</p>

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25	 <p>NO Does the person qualify for immediate membership? YES → Submit enrollment into CalPERS NO → Complete AESD-1395, and monitor time worked. Submit enrollment if/when employee qualifies for membership. ***See PML's 2012-037, 2013-018, and 2015-021 for "Termination of ARP" information. DETERMINING MEMBERSHIP ELIGIBILITY Source: https://www.calpers.ca.gov/docs/forms-publications/state-ref-guide.pdf</p>	<p>The original flowchart in the reference guide includes enrolling the employee into ARP. It was closed to new employees effective July 1, 2013 and closed to new payroll deductions effective July 1, 2015. See PML's 2012-037, 2013-018 and 2015-021 for more information on the termination of ARP.</p> <p>You may view the original flowchart in the CalPERS State Reference Guide.</p>
26	 <p>Members of other Retirement Systems Health and Welfare or Trade Rate Employment Independent Contractors Elected or Appointed Officers Student Aides in the Special Schools of the State Dept. of Ed. California Conservation Corps Participants Assembly, Senate, and Executive Fellows POSITIONS EXCLUDED BY RETIREMENT LAW FROM CALPERS (PERL) Source: https://www.calpers.ca.gov/docs/forms-publications/state-ref-guide.pdf</p>	<p>The <i>Positions Excluded by Retirement Law from CalPERS Coverage, or PERL</i>, section of the State Reference Guide discusses several topics, including: members of other retirement systems; Health and Welfare or Trade Rate employment; independent contractors; elected or appointed officers; Student Aides in the special schools of the State Department of Education; California Conservation Corps participants; and Assembly, Senate, and Executive fellows.</p> <p>If you would like more information about PERL, visit the CalPERS web page referenced on this slide or the Resources slide at the end of this training.</p>
27	 <p>Types of Optional Members General Provisions/Instructions Election of Optional Membership When to Complete OPTIONAL MEMBERS OF CALPERS</p>	<p>The <i>Optional Members of CalPERS</i> section defines what an "Optional" member of CalPERS is, general provisions/instructions, election of optional membership, and when to complete the appropriate form or forms.</p> <p>For more information on Optional Members, reference the CalPERS State Reference Guide.</p>

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28	 <p>CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM (CALSTRS)</p>	<p>The next retirement system we will review is the California State Teachers' Retirement System, or CalSTRS. CalSTRS defines retirement coverage for employees in public school positions that require certification qualifications per the Education Code such as teachers, administrators, and library media workers.</p> <p>For more detailed information on CalSTRS, refer to the <i>CalPERS or CalSTRS?</i> section of the CalPERS State Reference Guide.</p>
29	 <p>Statutory Exempt Class Codes</p> <ul style="list-style-type: none"> • 5987 Chief Justice • 5988 Associate Justice • 5991 Justice, Court of Appeals • 9999 Superior Court Judge <p>Statutory Exempt Employee</p> <ul style="list-style-type: none"> • Elected or appointed official • Not a Civil Service employee • Not bound by Civil Service law and rules • Salaries are set by the California Citizens Compensation Commission <p>JUDGES' RETIREMENT SYSTEM (JRS)</p> <p>Source: https://www.calpers.ca.gov/docs/forms-publications/state-ref-guide.pdf</p>	<p>Next, let's review the Judges' Retirement System, or JRS.</p> <p>JRS defines retirement coverage for employees appointed to statutory exempt class codes 5987 – Chief Justice; 5988 – Associate Justice; 5991 – Justice, Court of Appeal; and 9999 – Superior Court Judge.</p> <p>A statutory exempt employee is an elected or appointed official who is not a Civil Service employee and is not bound by the Civil Service law and rules. These individuals' salaries are set by the California Citizens Compensation Commission.</p>
30	 <p>Government Codes 75000 - 75613</p> <p>November 9, 1994</p> <p>JUDGES' RETIREMENT SYSTEM (JRS)</p> <p>Source: https://www.calpers.ca.gov/docs/forms-publications/state-ref-guide.pdf</p>	<p>CalPERS administers two retirement plans for Supreme and Appellate Court justices as well as Superior and Municipal Court judges:</p> <ul style="list-style-type: none"> • Judges' Retirement System (JRS), for those elected or appointed before November 9, 1994, and • Judges' Retirement System II (JRS II), for those elected or appointed on or after November 9, 1994 <p>Both plans offer retirement, death, and health benefits.</p> <p>For more detailed information on JRS and JRS II, refer to Government Codes 75000 through 75613. You may also review the CalHR Exempt Salary Schedule located on the CalHR website.</p>

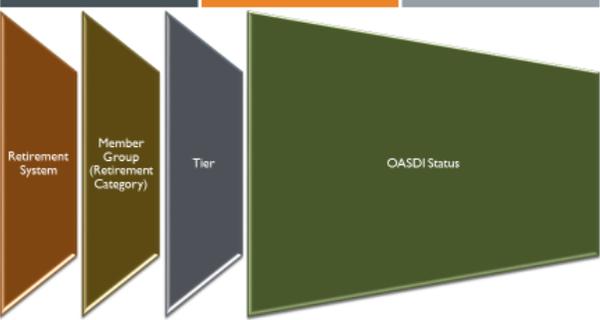
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31		<p>The next retirement system we will review is the Legislators' Retirement System, or LRS. LRS defines retirement coverage for legislators and constitutional officers (except judges).</p> <p>Note that the Legislators' Retirement System is also administered by CalPERS.</p> <p>For more detailed information on LRS, refer to Government Codes 9350 through 9378.</p>
32		<p>There is an additional system, or program, for Part-Time, Seasonal, and Temporary employees. This program is referred to as PST and is a mandatory retirement savings program created by federal law for State employees and California State University employees who are not covered by a retirement system or Social Security. Savings Plus administers the PST Program in accordance with the Internal Revenue Code Section 457 Deferred Compensation Plan.</p> <p>Savings Plus provides a PST Employees Retirement Program Fact Sheet on their website. See the link on this slide or on the Resources slide at the end of this training.</p>
33		<p>For more detailed information on the PST retirement program, refer to the PST section in the CalHR Benefits Administration Manual, or BAM, located at www.calhr.ca.gov.</p> <p>The BAM is an online-only manual designed to provide decentralized departmental staff the most current information they need to interpret and input employee benefit information.</p>

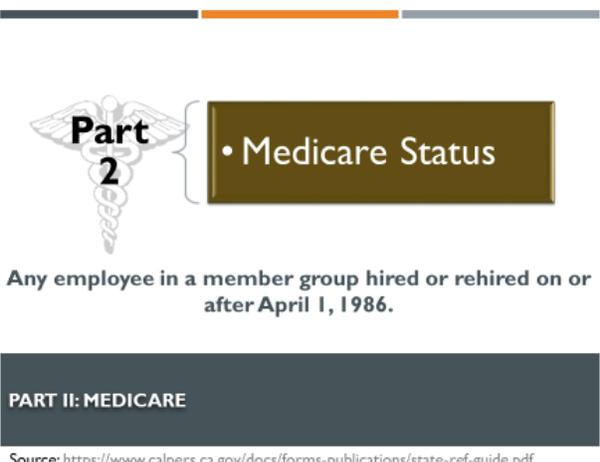
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34	 <p>Appointment</p> <p>Class Code</p> <p>Immigration Status</p> <p>Some other Factor(s)</p> <p>NON CATEGORY</p>	<p>Employees who are not represented by any of the previously-listed retirement systems are grouped in the NON category. The NON category consists of employees excluded from any type of retirement system or plan because of appointment type, class code, immigration status, or some other factor or factors.</p>
35	 <p>Retirement System</p> <p>Member Group (Retirement Category)</p> <p>RETIREMENT ACCOUNT CODE ATTRIBUTE #2: MEMBER GROUP (RETIREMENT CATEGORY)</p>	<p>The second retirement account code attribute is Member Group or (Retirement Category).</p>
36	 <p>Industrial (IND)</p> <p>Miscellaneous (MISC)</p> <p>Patrol (CHP)</p> <p>Peace Officer/Firefighter (PO/FF)</p> <p>Safety (SAF)</p> <p>RETIREMENT ACCOUNT CODE ATTRIBUTE #2: MEMBER GROUP (RETIREMENT CATEGORY)</p>	<p>To help you determine what member group, or retirement category, a member should be placed in, you will need to be familiar with the member group types. They are:</p> <ul style="list-style-type: none"> • Industrial, • Miscellaneous, • Patrol, or California Highway Patrol, • Peace Officer/Firefighter or PO/FF, and • Safety <p>The following information is necessary to help you determine which member group a member should be placed in.</p>

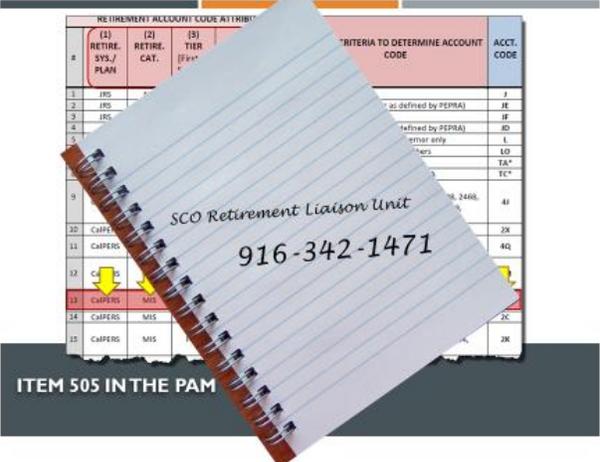
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37		<p>We begin with the state industrial members.</p> <p>Industrial members are those who are employed by the California Department of Corrections and Rehabilitation (CDCR) or its Division of Juvenile Justice, other than State Safety or PO/FF members.</p> <p>Also included in this category are individuals employed by the CDCR’s Board of Parole Hearings, Juvenile Parole Board, or Division of Adult Parole, and the Board of Trustees of the California Institution for Women who hold positions designated by law as State Industrial.</p> <p>Reference Government Code Section 20382 for information on the State Industrial member retirement category.</p>
38		<p>Next is state miscellaneous members.</p> <p>Miscellaneous members are those who are employed by the state and universities and who are not involved in law enforcement, fire suppression, the protection of public safety, or employed in a position designated by law as Industrial, Patrol, PO/FF, or Safety.</p> <p>Reference Government Code Section 20380 for information on the state miscellaneous member retirement category.</p> <p>Review the <i>What you Need to Know About Your CalPERS State Miscellaneous & Industrial Benefits</i> publication for additional information.</p>
39		<p>Per Government Code Section 20390, “patrol member” includes all members employed in the Department of the California Highway Patrol or by a county in connection with its highway patrol function, respectively, whose principal duties consist of active law enforcement service, except those whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise clearly do not fall within the scope of active law enforcement service, even though the person is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement service.</p> <p>“Patrol member” does not include employees of the Department of the California Highway Patrol who are designated as peace officers by the Commissioner of the California Highway Patrol under subdivision (a) of Section 2250.1 of the Vehicle Code.</p>

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40	<p>Includes State Officers and employees designated as Peace Officers as defined in Sections 830.2, 830.3, 830.4 and 830.5 of the Penal Code.</p> <p>Government Codes 20391-20398, and 20416</p>  <p>PEACE OFFICER/FIREFIGHTER MEMBERS (PO/FF)</p>	<p>The next category we will review is Peace Officer/Fire Fighter or PO/FF. This category includes State Officers and employees designated as Peace Officers as defined in Sections 830.2, 830.3, 830.4, and 830.5 of the Penal Code. There are many classifications identified within the PO/FF membership category, so we recommend referencing Government Code sections 20391-20398 and 20416.</p>
41	<p>State Safety members are individuals employed by the State who are involved in:</p> <ul style="list-style-type: none"> • law enforcement • fire suppression • the protection of public safety • employed in a position designated by law as 'State Safety'. <p>Government Codes 20399 - 20415</p> <p>SAFETY MEMBERS</p> <p><small>Source: https://www.calpers.ca.gov/docs/forms-publications/state-safety-benefits.pdf</small></p>	<p>State Safety members are individuals employed by the state who are involved in law enforcement, fire suppression, the protection of public safety, or who are employed in a position designated by law as 'state safety'.</p> <p>As with the PO/FF membership category, there are many classifications defined as Safety member. Because of this, we recommend referring to Government Code Sections 20399 through 20415 for a complete list.</p> <p>You may also refer to the What You Need to Know About Your CalPERS State Safety Benefits publication for additional information.</p>
42	 <p>RETIREMENT ACCOUNT CODE ATTRIBUTE #3: TIER</p>	<p>The third retirement account code attribute is Tier.</p>

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43	<div style="border: 1px solid black; padding: 10px;"> <h3 style="background-color: #8B4513; color: white; padding: 5px;">First Tier</h3> <ul style="list-style-type: none"> Make employee contributions (usually 8%) Highest benefit level (2% at 55, 2% at 60, 2% at 62) <h3 style="background-color: #6B8E23; color: white; padding: 5px;">Second Tier</h3> <ul style="list-style-type: none"> Make reduced employee contributions Receive reduced pension <div style="background-color: #34495E; color: white; padding: 5px; text-align: center; font-weight: bold;">FIRST OR SECOND TIER</div> <p style="font-size: small; margin-top: 5px;">Source: https://www.calpers.ca.gov/docs/forms-publications/state-ref-guide.pdf</p> </div>	<p>This applies to Miscellaneous and Industrial State Civil Service members <u>only</u>.</p> <p>Retirement benefit formulas are grouped into first or second tier.</p> <p>First-Tier refers to a retirement benefit formula where members make contributions (normally 8%, but can be raised or lowered by collective bargaining agreements) to CalPERS and are covered under the State Miscellaneous/Industrial 2% at age 55, 2% at age 60, or 2% at age 62 formula.</p> <p>Second-Tier refers to a retirement benefit formula where members did not make contributions to CalPERS and are covered under the 1.25% at age 65 or 1.25% at age 67 formula. However, effective July 1, 2013, all Second-Tier members contribute to CalPERS.</p>														
44	<div style="border: 1px solid black; padding: 10px;"> <h2 style="background-color: #8B4513; color: white; padding: 10px; text-align: center;">First Tier vs. Second Tier</h2> <ul style="list-style-type: none"> If the employee is not a previous member of CalPERS, appoint him/her to First Tier at the point that he/she qualifies for membership. Give the employee the <i>State Miscellaneous and Industrial Members Second Tier Benefit Election Package</i> (PERS-PUB-52). <div style="background-color: #34495E; color: white; padding: 5px; text-align: center; font-weight: bold;">FIRST TIER VS. SECOND TIER</div> <p style="font-size: small; margin-top: 5px;">Source: https://www.calpers.ca.gov/docs/forms-publications/state-ref-guide.pdf</p> </div>	<p>When determining if an employee should be placed in first or second tier, you will need to find out if the miscellaneous or industrial employee is a previous member of CalPERS; meaning do they have service and/or funds on deposit from another contracting Public Agency, County School or State agency that is under CalPERS.</p> <p>If no, refer to “CalPERS Membership Eligibility” in the “Civil Service/CSU Membership” section of the CalPERS State Reference Guide to determine when to bring the employee into membership. Once the employee qualifies for CalPERS membership, place the employee into First-Tier and provide the employee with the “<i>State Miscellaneous & Industrial Members Second Tier Benefit Election Package</i>.” (PERS-PUB-52)</p>														
45	<div style="border: 1px solid black; padding: 10px;"> <p style="text-align: center; font-weight: bold; font-size: small;">If the employee is a previous member of CalPERS, see the chart below:</p> <table border="1" style="width: 100%; border-collapse: collapse; font-size: x-small;"> <thead> <tr> <th style="width: 12.5%;">All First Tier Service (Public Agency, County, School or State)</th> <th style="width: 12.5%;">Mixed First and Second Tier Service</th> <th style="width: 12.5%;">All State Second-Tier Service only (no State First-Tier, Public Agency or County School Service)</th> <th style="width: 12.5%;">Permanent Separation is less than 90 days</th> <th style="width: 12.5%;">Permanent Separation is 91 days to six months</th> <th style="width: 12.5%;">Permanent Separation is over six months and Member has less than 10 years of Second-Tier Service</th> <th style="width: 12.5%;">Permanent Separation is over six months and Member has over 10 years of Second-Tier Service</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> The employee is brought into CalPERS membership immediately. Place the employee into First-Tier Provide the employee with the PUB-52. </td> <td> <ul style="list-style-type: none"> The employee is brought into CalPERS membership immediately. If break in service is more than 90 days, place the employee into First-Tier Provide the employee with the PUB-52 If break is less than 90 days, see 1, 2, or 3 below. </td> <td> <ul style="list-style-type: none"> The employee is brought into CalPERS membership immediately. Place the employee into Second Tier. </td> <td> <ul style="list-style-type: none"> The employee is brought into CalPERS membership immediately. Place the employee into First-Tier Provide the employee with the PUB-52. </td> <td> <ul style="list-style-type: none"> The employee needs to re-qualify for CalPERS membership. Upon meeting qualifications, bring the employee into CalPERS membership. Place the employee into First-Tier Provide the employee with PUB-52. </td> <td> <ul style="list-style-type: none"> The employee is brought into CalPERS membership immediately. Place the employee into First Tier Provide the employee with the PUB-52. </td> <td></td> </tr> </tbody> </table> <div style="background-color: #34495E; color: white; padding: 5px; text-align: center; font-weight: bold; margin-top: 5px;">DETERMINING FIRST TIER OR SECOND TIER</div> <p style="font-size: x-small; margin-top: 5px;">Source: https://www.calpers.ca.gov/docs/forms-publications/state-ref-guide.pdf</p> </div>	All First Tier Service (Public Agency, County, School or State)	Mixed First and Second Tier Service	All State Second-Tier Service only (no State First-Tier, Public Agency or County School Service)	Permanent Separation is less than 90 days	Permanent Separation is 91 days to six months	Permanent Separation is over six months and Member has less than 10 years of Second-Tier Service	Permanent Separation is over six months and Member has over 10 years of Second-Tier Service	<ul style="list-style-type: none"> The employee is brought into CalPERS membership immediately. Place the employee into First-Tier Provide the employee with the PUB-52. 	<ul style="list-style-type: none"> The employee is brought into CalPERS membership immediately. If break in service is more than 90 days, place the employee into First-Tier Provide the employee with the PUB-52 If break is less than 90 days, see 1, 2, or 3 below. 	<ul style="list-style-type: none"> The employee is brought into CalPERS membership immediately. Place the employee into Second Tier. 	<ul style="list-style-type: none"> The employee is brought into CalPERS membership immediately. Place the employee into First-Tier Provide the employee with the PUB-52. 	<ul style="list-style-type: none"> The employee needs to re-qualify for CalPERS membership. Upon meeting qualifications, bring the employee into CalPERS membership. Place the employee into First-Tier Provide the employee with PUB-52. 	<ul style="list-style-type: none"> The employee is brought into CalPERS membership immediately. Place the employee into First Tier Provide the employee with the PUB-52. 		<p>If the employee is a previous member of CalPERS, see the chart below.</p> <p>You may reference this chart in the CalPERS State Reference Guide.</p>
All First Tier Service (Public Agency, County, School or State)	Mixed First and Second Tier Service	All State Second-Tier Service only (no State First-Tier, Public Agency or County School Service)	Permanent Separation is less than 90 days	Permanent Separation is 91 days to six months	Permanent Separation is over six months and Member has less than 10 years of Second-Tier Service	Permanent Separation is over six months and Member has over 10 years of Second-Tier Service										
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Pg	Slide	Content
46	 <p>Retirement System</p> <p>Member Group (Retirement Category)</p> <p>Tier</p> <p>OASDI Status</p> <p>RETIREMENT ACCOUNT CODE ATTRIBUTE #4: OASDI STATUS</p>	<p>The final retirement account code attribute is OASDI Status.</p>
47	 <p><u>O</u>ld</p> <p><u>A</u>ge</p> <p><u>S</u>urvivor</p> <p><u>D</u>isability</p> <p><u>I</u>nsurance</p> <p>RETIREMENT ACCOUNT CODE ATTRIBUTE #4: OASDI STATUS</p>	<p>OASDI is an acronym for Old Age, Survivor, and Disability Insurance and is the official name for Social Security in the United States.</p>
48	 <p>Part 1 • Social Security</p> <p>Part 2 • Medicare Status</p> <p>TWO PARTS: SOCIAL SECURITY AND MEDICARE</p>	<p>There are two parts to this attribute. Part 1 is Social Security and Part 2 is Medicare Status.</p>

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49		<p>OASDI Status: Part I Social Security – Miscellaneous and Industrial members pay into Social Security. State Safety, State POFF, and State Patrol members do not pay into Social Security.</p> <p>An exception is if the member is a non-resident alien with an F-1, J-1, M-1, or Q-1 Visa; they are not subject to Social Security.</p> <p>For more specific information and exceptions, refer to the CalPERS State Reference Guide.</p>
50		<p>OASDI Status: Part II Medicare – Any employee (in a member group) that was hired or rehired on or after April 1, 1986, is subject to Medicare.</p> <p>For more specific information and exceptions, refer to the CalPERS State Reference Guide.</p>
51	<p>You need to know these attributes for each employee in order to accurately key the retirement account code:</p>  <p>Remember... it is essential that the retirement account code is keyed accurately on the employee's PAR.</p> <p>RETIREMENT ACCOUNT CODES ATTRIBUTES</p>	<p>Let's take a look at the four retirement account code attributes again. You need to know these attributes for each employee in order to accurately key the retirement account code:</p> <ul style="list-style-type: none"> • Retirement System • Member Group or Retirement Category • Tier • OASDI Status <p>Remember ... it is essential that the retirement account code is keyed accurately on the employee's PAR. Keying an incorrect retirement account code may result in an overpayment or underpayment of employer and/or member contributions. It is your responsibility to correctly determine which retirement account code to use.</p>

Pg	Slide	Content
52	 <p style="text-align: center;">ITEM 505</p>	<p>Let's take a look at Item 505 in the PAM and apply what we have learned.</p>
53	 <p style="text-align: center;">ITEM 505 IN THE PAM</p>	<p>On this slide, you see an image of the first page of the PAM Item 505 chart. It lists the retirement account codes and the required information to determine which retirement account code to key for your employees. Notice how the four attributes play a role in determining retirement account codes.</p> <p>Now that you have a brief understanding of the retirement account codes attributes, you should be able to accurately assign retirement account codes to your employees.</p> <p>For example, as shown on line 13, Account Code 4G should be assigned for an employee who is:</p> <ol style="list-style-type: none"> 1. Eligible for CalPERS retirement; 2. A Miscellaneous retirement category member; 3. Subject to the First Tier retirement formula; 4. Subject to both Social Security and Medicare; 5. Represented (rank and file) or non-represented; and 6. In or tied to Bargaining Unit 2. <p>If you need assistance in determining an account code, contact the SCO Retirement Liaison Unit at (916) 342-1471.</p>
54	<p>On the following slides you will see an image of the PAM Item 505 chart (revised 11/16).</p> <p>Read the scenario, look at the chart for the correct retirement account code, and then make a selection from the answer options.</p> <p>Once you click on an answer, it will let you know if you are correct. If your answer is incorrect, you will have the opportunity to try again.</p> <p>Now let's begin...</p> <p style="text-align: center;">KNOWLEDGE CHECK</p>	<p>On the following slides you will see an image of the PAM Item 505 chart (revised November 2016).</p> <p>Read the scenario, look at the chart for the correct retirement account code, and then make a selection from the answer options.</p> <p>Once you click on an answer, it will let you know if you are correct. If your answer is incorrect, you will have the opportunity to try again.</p> <p>Now let's begin...</p>

Pg	Slide	Content
61	<p>CalPERS Circular Letter 200-055-12: Implementation of Public Employees' Pension Reform Act of 2013 https://www.calpers.ca.gov/docs/circular-letters/2012/200-055-12.pdf Savings Plus PST Factsheet https://www.savingsplusnow.com/tcm/savingsplusnow/static/PST_factsheet.pdf Personnel Action Manual http://www.sco.ca.gov/Files-PPSD/pam_2_par_items_lines_1-7_rev_02252016_web_v2.pdf PML #2012-037 http://www.calhr.ca.gov/PML%20Library/2012037.pdf PML #2013-018 http://www.calhr.ca.gov/PML%20Library/2013018.pdf PML #2015-021 http://www.calhr.ca.gov/PML%20Library/2015021.pdf</p> <p>RESOURCES</p>	
62	<p>A Guide to CalPERS: When You Change Retirement Systems https://www.calpers.ca.gov/docs/forms-publications/change-retirement-systems.pdf What You Need to Know About Your CalPERS: State Miscellaneous & Industrial Benefits https://www.calpers.ca.gov/docs/forms-publications/state-misc-industrial-benefits.pdf What You Need to Know About Your CalPERS: State Safety Benefits https://www.calpers.ca.gov/docs/forms-publications/state-safety-benefits.pdf State Miscellaneous & Industrial Members Second Tier Benefit Election Package https://www.calpers.ca.gov/docs/forms-publications/second-tier-benefit-election.pdf Second-Tier Benefit Election Package https://www.calpers.ca.gov/docs/forms-publications/second-tier-benefit-election.pdf</p> <p>RESOURCES</p>	
63	<p>THANK YOU</p> <p>This completes the SCO's Item 505 Retirement Account Code training.</p> <p>We hope you have found this training beneficial and relevant.</p> <p>You may download and print your certificate to prove that you took this training and passed the quiz. eLearning Course Certificate</p> <p>We thank you for your participation.</p>	<p>This completes the SCO's Item 505 Retirement Account Code training.</p> <p>We hope you have found this training beneficial and relevant.</p> <p>You may download and print your certificate to prove that you took this training and passed the quiz.</p> <p>We thank you for your participation.</p>