

# Employer Information Circular

Volume 25; Issue 11

August 5, 2009

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## Retirement System Election

*Transmittal of Revised Retirement System Election Form ES 372 and Decision Tree for the CalPERS/CalSTRS Election*

*Supersedes Employer Information Circular Volume 5; Issue 7*

The purpose of this circular is to inform you that the attached Retirement System Election form (ES 372) has been revised. Please immediately discontinue use of the old form.

The form was updated for clarity, confidentiality of members, ease of use and incorporates many suggestions provided by the employers.

The Revised Retirement System Election form clarifies:

1) that an election of membership under the CalSTRS Defined Benefit (DB) Program or the California Public Employees' Retirement System (CalPERS) is irrevocable with respect to any future service for the employer, which is defined as a school district, a community college district, a county superintendent of schools or limited state departments, for which the person was working at the time the election was made.

2) that, under Education Code section 22508, a member of the DB Program who becomes employed by the same or a different school district, a community college district, a county superintendent of schools, or California state department to perform classified service may elect to receive credit under the DB Program only if the service is required to be covered by CalPERS.

In order to receive service credit under the DB Program, the member must submit an irrevocable Retirement System Election form to the employer within 60 days of the effective date of employment in the position requiring membership in CalPERS. If the DB Program member does not elect to continue as a DB Program member, all service must be reported to CalPERS.

The form must also be used when a CalPERS member accepts employment that requires membership in the DB Program. The right of election for CalPERS members hired to perform service that requires the DB Program membership is governed by Government Code section 20309. In order to receive service credit under CalPERS, the member must submit the form within 60 days of the effective date of employment requiring membership in the DB Program.

If the member does not elect to continue membership in CalPERS, all service shall be reported to the DB Program.

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Please refer members to the CalSTRS publication: *Join CalSTRS? Join CalPERS? Decide Which Retirement System is Right for You*, which can be accessed at [www.CalSTRS.com](http://www.CalSTRS.com).

Attached are common scenarios that explain the right of election for employees hired to perform creditable service along with the action to be taken by the employer.

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

**RETIREMENT SYSTEM ELECTION**

**ES 372 (05/09)**

<b>PLEASE READ THE ATTACHED INSTRUCTIONS          BEFORE COMPLETING THIS FORM          PLEASE TYPE OR PRINT LEGIBLY IN DARK INK</b>	<b>CalSTRS USE ONLY</b>
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**TO BE COMPLETED BY EMPLOYEE**

Name: (Last)	(First)	(Initial)	Social Security Number: (last four digits)
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EFFECTIVE DATE (Mo/Day/Yr)	POSITION TITLE
	<input type="checkbox"/> Credentialed <input type="checkbox"/> Classified <input type="checkbox"/> State Service

Employment in the California public school system is generally subject to coverage by either the California State Teachers' Retirement System (CalSTRS) or the California Public Employees' Retirement System (CalPERS). Employment in a position to perform "creditable service," as defined in Education Code Section 22119.5, is usually credited in CalSTRS, while **classified** (non-certificated) employment is usually credited in CalPERS.

A member of CalSTRS who becomes employed by the same or a different school district, a community college district, a county superintendent of schools or limited state employment, as defined in Education Code Section 22508, to perform service that requires membership in CalPERS will have that service credited with CalPERS unless he/she files a written election (within 60 days from the date of hire in the new position) to have the service credited with CalSTRS.

A member of CalPERS who is employed by a school employer, Board of Governors of Community College Districts or State Department of Education or has at least five years of CalPERS credited service, as defined in Government Code Section 20309, and who subsequently becomes employed to perform creditable service that requires membership in CalSTRS, will have that service credited with CalSTRS unless he/she files a written election (within 60 days of the date of hire in the new position) to have the service credited with CalPERS.

**You are a member of CalSTRS** who has accepted employment to perform service that requires membership in CalPERS but you may elect to continue retirement system coverage under CalSTRS. Please enter an "X" in the box next to the coverage you elect.

CALIF STATE TEACHERS' RETIREMENT SYSTEM  
 CALIF PUBLIC EMPLOYEES' RETIREMENT SYSTEM \*

**OR**

**You are a member of CalPERS** who has accepted employment to perform service that requires membership in CalSTRS but you may elect to continue coverage under CalPERS. Please enter an "X" in the box next to the coverage you elect.

CALIF PUBLIC EMPLOYEES' RETIREMENT SYSTEM \*  
 CALIF STATE TEACHERS' RETIREMENT SYSTEM

*I fully understand that this election is irrevocable for this employer.*

<b>EMPLOYEE SIGNATURE</b>	<b>DATE</b>
<b>EMPLOYER CERTIFICATION</b>	
I certify that the employee meets the qualifications to make a retirement system election.	
CO/DIST/STATE DEPT NAME	CO/DIST CODE OR STATE DEPT
SCHOOL/STATE OFFICIAL'S NAME and PHONE NUMBER	TITLE
<b>SIGNATURE OF SCHOOL/STATE OFFICIAL</b>	<b>DATE</b>
COUNTY OFFICIAL'S NAME and PHONE NUMBER	TITLE
<b>SIGNATURE OF COUNTY OFFICIAL</b>	<b>DATE</b>

*CalPERS Employer Code:
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# For Employer Use Only

<i>Employee qualifies to make the retirement system election due to:</i>	
<b>Certificated:</b> <input type="checkbox"/> Initial employment  <input type="checkbox"/> Change in employer	<b>Classified:</b> <input type="checkbox"/> Full-time position for 6 months or more <input type="checkbox"/> Part-time position (at least 20 hours) one year or more <input type="checkbox"/> Indeterminate position (at least 20 hours) one year or more <input type="checkbox"/> Completed 1,000 work hours in one fiscal year <input type="checkbox"/> Already a PERS member



## **RETIREMENT SYSTEM ELECTION**

**Read the attached instructions and information for retirement system coverage before completing the Retirement System Election. Keep a copy of the instructions and information sheet for your records. Please use a black ink pen or download and print the form.**

**TELEPHONE NUMBERS:**

TOLL FREE 1-800-228-5453

**MAILING ADDRESS:**

CalSTRS  
MAIL STATION #16  
P.O. BOX 15275  
SACRAMENTO, CA 95851-0275

## **INSTRUCTIONS AND INFORMATION FOR RETIREMENT SYSTEM ELECTION**

The following instructions are to assist you and your employer in completing the Retirement System Election (Form # ES 372). The first section of the form must be completed by you with assistance from your employer. Please complete all entries above the Employer Certification section. By signing this document, you understand it is a crime to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering a benefit administered by CalSTRS and it may result in up to one year in jail and a fine of up to \$5,000. Ed. Code §22010

### **EMPLOYEE INSTRUCTIONS**

- I. Press firmly and print clearly with **DARK INK**, or type all information requested. Do not use light colors of ink, pencil, felt pen, or erasable ink.
- II. If you should make a mistake on the Retirement System Election form, line through the error and initial.
- III. Enter your full name, last four digits of your Social Security Number, effective date of the change in employment status and position type.
- IV. **EFFECTIVE DATE** is the first date that service was or will be performed in the new position.
- V. **RETIREMENT SYSTEM COVERAGE** If you are a member of CalSTRS and have accepted employment to perform service that requires membership in CalPERS, enter an "X" in the box next to the coverage you elect. If you are a member of CalPERS and have accepted employment to perform service that requires membership in CalSTRS, enter an "X" in the box next to the coverage you elect.
- VI. **EMPLOYEE SIGNATURE** Sign and date the Retirement System Election form.
- VII. **SUBMIT** the Retirement System Election form to your employer. Retain a copy for your records.

For further information, you may contact our office toll Free **1-800-228-5453**, or by writing us at the address on the cover page.

Should you find it necessary to contact us, your correspondence should include the last four digits of your Social Security number, full name, address, and daytime telephone number.

### **EMPLOYER INSTRUCTIONS**

Please complete the **EMPLOYER CERTIFICATION** only after the employee has completed the required employee information. Employees must qualify for membership before they can elect.

**CO/DIST CODE/STATE DEPARTMENT** – Enter the appropriate county and district codes. Example: Kern County, Edison Elementary would be 15-012, CA Department of Education 59-174.

**EMPLOYER CERTIFICATION** – Print official's name, title and phone number, sign and date the Retirement System Election form.

**SUBMIT** the completed Retirement System Election form to the County Office of Education or if you represent a state department, send it directly to CalSTRS and send a copy to CalPERS.

### **COUNTY OFFICE OF EDUCATION**

Review, sign and date the Retirement System Election form.

Mail the original Retirement System Election form to the retirement system elected by the employee and a copy to the retirement system that would normally cover the service. Provide copies for the employer, employee and employee's file.

## **INFORMATION**

A member of the CalSTRS Defined Benefit Program who becomes employed by a school district, a community college district, a county superintendent of schools or limited state departments to perform service that requires membership by the California Public Employees' Retirement System (CalPERS) [Education Code section 22508(a)] may elect to receive credit under the CalSTRS Defined Benefit Program for such service by submitting a Retirement System Election form to CalSTRS, within 60 days of the effective date of employment in the position requiring membership in the other system. If the CalSTRS member does not elect to continue as a member of CalSTRS, all service subject to coverage by CalPERS will be reported to that retirement system. (Education Code 22508)

A member of CalPERS who was employed by a school employer, Board of Governors of California Community Colleges, or State Department of Education or has at least five years of CalPERS credited service and who accepts employment to perform creditable service that requires membership by the CalSTRS Defined Benefit Program [Government Code section 20309 (a)] may elect to receive credit under CalPERS for such service by submitting a Retirement System Election form to CalPERS, within 60 days of the effective date of employment in the position requiring membership in the other system. If the CalPERS member does not elect to continue as a member of CalPERS, all CalSTRS creditable service will be reported to CalSTRS. (Government Code 20309)

	Situation	Election Rights	Action
1	<b>New CalSTRS Position</b> Member of CalPERS accepts for the first time a CalSTRS-covered position performing creditable service, which mandatorily qualifies immediately for CalSTRS membership.	May elect to remain in CalPERS, otherwise member defaults into CalSTRS.	Employer provides CalSTRS election packet (ES 372 and MS 373) within 10 days of hire. Begin reporting as member service to CalSTRS immediately. If employee returns packet within 60 days, follow election choice. If employee elects to have CalSTRS certificated service reported to CalPERS within the 60-day election period, back out CalSTRS service and re-report to CalPERS. <i>Election is irrevocable for all future certificated service for this employer (district).</i>
2	<b>New CalSTRS Position</b> Member of CalPERS accepts for the first time a CalSTRS-covered position performing creditable service, <i>not</i> requiring CalSTRS membership.	May permissively elect CalSTRS for CalSTRS-covered service only. May not elect CalPERS for non-qualifying CalSTRS-covered service.	Employer provides permissive election packet (ES 350) within 30 days of hire. Begin reporting non-qualifying non-member certificated service to CalSTRS immediately. Employee has 60 days to permissively elect CalSTRS membership. If employee returns packet within 60 days, follow election choice. If no election is made, the employee will default to non-member coverage by CalSTRS provided by the employer.
3	<b>New CalSTRS Position in New District</b> Member of CalPERS previously accepted a CalSTRS-covered position performing creditable service, <i>not</i> requiring CalSTRS membership, declined permissive election to CalSTRS, then accepts a new CalSTRS-covered position in a <i>new</i> district, which qualifies immediately for CalSTRS membership.	May elect to remain in CalPERS, otherwise member defaults into CalSTRS.	Employer provides CalSTRS election packet (ES 372 and MS 373) within 10 days of hire. Begin reporting as member service to CalSTRS immediately. If employee returns packet within 60 days, follow election choice. If employee elects to continue CalPERS coverage within the 60-day election period, back out CalSTRS member service and re-report to CalPERS. <i>Election is irrevocable for all future certificated service with new employer (district).</i>
4	<b>Additional CalSTRS Position in New District</b> Member of CalPERS previously accepted a CalSTRS-covered position, elected CalPERS, then accepts an <i>additional</i> CalSTRS-covered position in a <i>new</i> district, which mandatorily qualifies immediately for CalSTRS membership.	May elect to remain in CalPERS, otherwise member defaults to CalSTRS.	Employer provides CalSTRS election packets (ES 372 and MS 373) within 10 days of hire. Begin reporting as member service to CalSTRS immediately. If employee returns packet within 60 days, follow election choice. If employee elects to continue CalPERS coverage within the 60-day election period, back out CalSTRS member service and re-report to CalPERS. <i>Election is irrevocable for all future certificated service with new employer (district).</i>
5	<b>Active CalPERS Member Accepts New Part-time CalSTRS Position in New District</b> Member of CalPERS working in a part-time classified position, accepts new part-time CalSTRS-covered position.	May not elect to remain in CalPERS. If the service later meets the mandatory qualifications threshold for CalSTRS, then the CalPERS election option can be offered.	Employer provides permissive election packet (ES 350) within 30 days of hire. Begin reporting non-qualifying non-member certificated service to CalSTRS immediately. Employee has 60 days to permissively elect CalSTRS membership. If employee returns packet within 60 days, follow election choice. If no election is made, the employee will default to non-member coverage by CalSTRS provided by the employer. If the employee service should mandatorily qualify later, then the CalSTRS election packet (ES 372) and MS 373 can be offered.



	Situation	Election Rights	Action
6	<p><b>Active CalPERS Member Accepts Additional Part-time CalSTRS Position in New District</b> Member of CalPERS continues to work in a part-time classified position and accepts an additional part-time CalSTRS position, which never qualifies for mandatory membership.</p>	May permissively elect CalSTRS for CalSTRS-covered service only. May not elect CalPERS for non-qualifying CalSTRS-covered service.	Employer provides permissive election packet (ES 350) within 30 days of hire. Begin reporting as CalSTRS non-member immediately. Employee has 60 days to permissively elect CalSTRS membership. If employee returns packet within 60 days, follow election choice. If no election is made, the employee will continue to be reported as a non-member to CalSTRS. Employee can, at any time, permissively elect CalSTRS membership.
7	<p><b>Active CalPERS Accepts Additional Part-time Position in Same District</b> Member of CalPERS continues to work in a full-time classified position, and accepts an additional part-time CalSTRS-covered position in the same district, which mandatorily qualifies for membership.</p>	CalSTRS coverage is mandatory for CalSTRS-certificated service when employee is also working full-time classified for CalPERS covered service. (Since the employee is working full time in a CalPERS covered position, the additional duties would constitute overtime which is not reported to CalPERS.)	Report as member service to CalSTRS. Employee qualified mandatorily for CalSTRS membership. CalPERS service is reported to CalPERS.
8	<p><b>New CalSTRS Position in Same District</b> Member of CalPERS previously accepted a non-qualifying CalSTRS-covered position, declined CalSTRS permissive election, and then accepts a different CalSTRS-covered position in the <i>same</i> district, which does <i>not</i> qualify immediately for mandatory membership.</p>	May permissively elect CalSTRS for CalSTRS-covered service only. May not elect CalPERS for non-qualifying CalSTRS-covered service.	Employer provides permissive election packet (ES 350) within 30 days of hire. Begin reporting as CalSTRS non-member immediately. Employee has 60 days to permissively elect CalSTRS membership. If employee returns packet within 60 days, follow election choice. If no election is made, the employee will continue to be reported as a non-member to CalSTRS. Employee can, at any time, permissively elect CalSTRS membership..
9	<p><b>New CalSTRS Position in Same District</b> Member of CalPERS previously accepted a CalSTRS-covered position, elected CalPERS, then accepts a different CalSTRS-covered position in the <i>same</i> district, which mandatorily qualifies for membership.</p>	May <i>not</i> elect CalSTRS.	No action is needed; do not provide election packet. <i>Previous CalPERS election is irrevocable for this employer (district).</i>
10	<p><b>Active CalPERS member Elected CalSTRS and then Accepts a New CalSTRS Position</b> Member of CalPERS accepted CalSTRS-covered position and permissively elects CalSTRS. Then accepts a new CalSTRS-covered position in a <i>new</i> district which mandatorily qualifies and wants to elect CalPERS.</p>	May <i>not</i> elect CalPERS (Employee is a member of CalSTRS and the member is continuing to perform creditable service in the new position.)	No action is needed; do not provide election packet.

	Situation	Election Rights	Action
11	<p><b>Active CalPERS member Elected CalSTRS and then Accepts a New CalSTRS Position</b> Member of CalPERS accepted CalSTRS-covered position and permissively elected CalSTRS. Then accepts a new CalSTRS-covered position in the same district and wants to elect CalPERS.</p>	May <i>not</i> elect CalPERS. (Employee is a member of CalSTRS and is continuing to perform creditable service in the new position.)	No action is needed; do not provide election packet.
12	<p><b>CalSTRS Accepts CalPERS Position</b> Member of CalSTRS becomes employed in a CalPERS-covered position with a school or state employer subject to section 22508.(b) which mandatorily qualifies for membership.</p>	May elect to remain in CalSTRS, otherwise member defaults into CalPERS	Employer provides CalSTRS election packet (ES 372 and MS 373) within 10 days of hire. Begin reporting to CalPERS immediately. If employee returns packet within 60 days, follow election choice. If employee elects to continue CalSTRS coverage within the 60-day election period, back out CalPERS service. <i>Election is irrevocable for all future service for this employer (district).</i>
13	<p><b>CalPERS Accepts CalSTRS Position</b> Vested CalPERS member is inactive for a period of time then accepts a CalSTRS-covered position that qualifies immediately.</p>	May elect to remain in CalPERS, otherwise member defaults into CalSTRS.	Employer provides CalSTRS election packet (ES 372 and MS 373) within 10 days of hire. Begin reporting as member service to CalSTRS immediately. If member elects to continue CalPERS coverage within the 60-day election period, back out CalSTRS service. <i>Election is irrevocable for all future service for this employer (district).</i>
14	<p><b>CalPERS Accepts CalSTRS Position</b> Non-vested CalPERS member is inactive for a period of time then accepts a qualifying CalSTRS position.</p>	May <i>not</i> elect CalPERS	No action is needed; do not provide election packet.