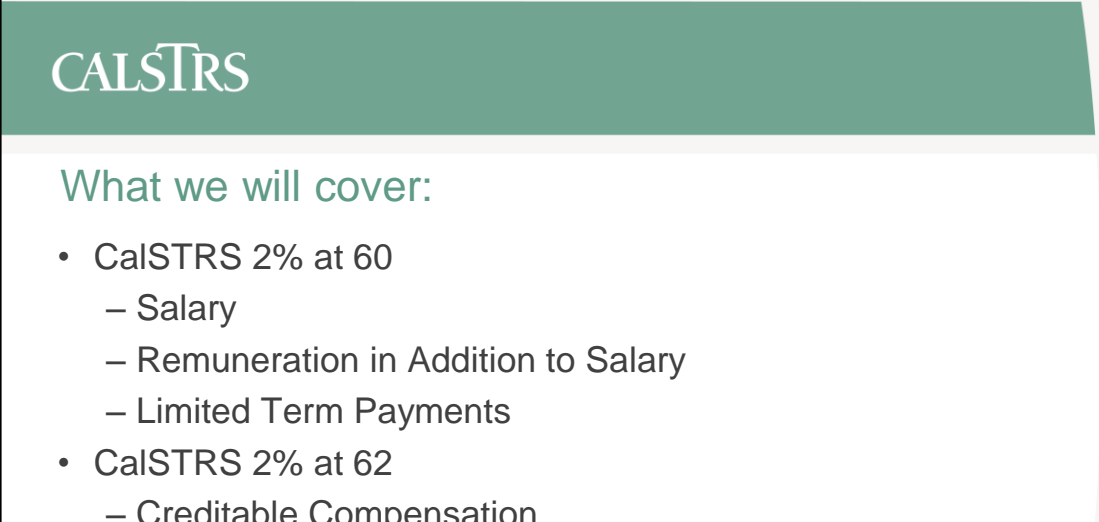
A photograph of a man and a young girl on a beach. The man is smiling and looking at the girl, who is also smiling and looking back at him. They are both wearing light-colored clothing. The background shows the ocean waves.

CALSTRS CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM

Creditable Compensation

2/27/2019 1

A photograph of a man and a young girl on a beach. The man is smiling and looking at the girl, who is also smiling and looking back at him. They are both wearing light-colored clothing. The background shows the ocean waves.

CALSTRS

What we will cover:

- CalSTRS 2% at 60
 - Salary
 - Remuneration in Addition to Salary
 - Limited Term Payments
- CalSTRS 2% at 62
 - Creditable Compensation

2/27/2019 2

Creditable Compensation CalSTRS 2% at 60 Members

Creditable Compensation – CalSTRS 2% at 60

Education Code section 22119.2

Creditable compensation includes:

1. Salary or wages paid in accordance with a publicly available written contractual agreement
2. Remuneration paid in addition to salary or wages
3. Remuneration paid for use of sick, vacation or employer-approved leave



Creditable Compensation – CalSTRS 2% at 60

Education Code section 22119.2

Creditable compensation includes:

4. Member contributions picked up by an employer pursuant to Section 22903 or 22904
5. Amounts deducted from members' salary for deferred compensation plans, annuity contracts, retirement or insurance plans, etc.

2/27/2019

5



Salary – CalSTRS 2% at 60

California Code of Regulations section 27400

Salary meets all the following requirements:

1. Paid in cash by an employer for the performance of creditable service to all in the class of employees
2. Explicitly characterized as salary on a contract, salary schedule or employment agreement
3. Used as a basis for future increases (Except outgrowth & mentoring)
4. Paid without a requirement by the employer for proof of expenditure

2/27/2019

6

Salary – CalSTRS 2% at 60

California Code of Regulations section 27400

- Must establish a compensation earnable for all assignments for which an employee will earn salary
- For outgrowth, the compensation earnable must be reported using the lowest pay rate for all creditable service activities that are:
 - Performed by the member for the same employer
 - In the same school year

Remuneration in Addition to Salary CalSTRS 2% at 60

Remuneration Paid in Addition to Salary – CalSTRS 2% at 60

California Code of Regulations section 27401

Remuneration that is paid in addition to salary is compensation that is:

1. Paid in accordance with a publicly available written contractual agreement
2. Not associated with the performance of additional service
3. Paid to all in a class of employees – Same dollar amount, percentage of salary, or percentage of the amount being distributed

Remuneration Paid in Addition to Salary – CalSTRS 2% at 60

California Code of Regulations section 27401

Remuneration that is paid in addition to salary is compensation:

4. Paid in the same manner to all members of the class of employees, and is not available in an alternative form
5. Paid without a requirement by the employer for proof of expenditure

Remuneration Paid in Addition to Salary – CalSTRS 2% at 60

California Code of Regulations section 27401

6. Remuneration that is paid in addition to salary is also compensation that is paid contingent on any of the following:
- a. Availability of funds
 - b. Possession or attainment of a certificate, license, special credential or advanced degree
 - c. Career or service longevity
 - d. Hiring, transfer or retirement

Remuneration Paid in Addition to Salary – CalSTRS 2% at 60

California Code of Regulations section 27401

6. Remuneration that is paid in addition to salary is also compensation that is paid contingent on any of the following:
- e. Position that is hazardous or difficult to staff
 - f. Number of students exceeds the maximum contractual amount
 - g. Achievement of a performance benchmark

Limited-Term Compensation – CalSTRS 2% at 60

California Code of Regulations section 27602

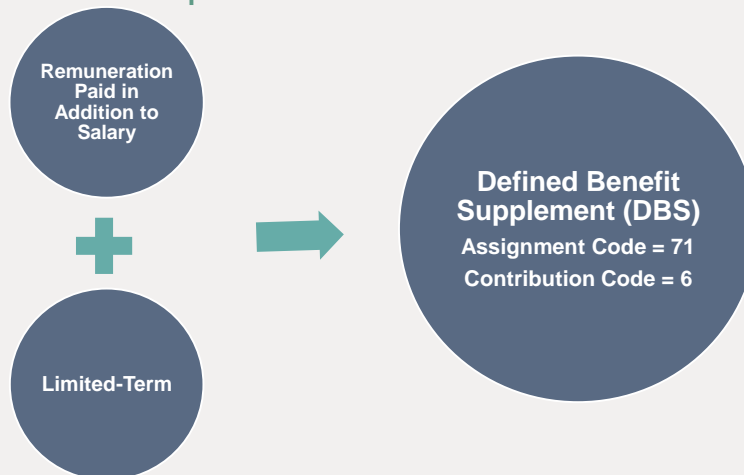
Remuneration in addition to salary is creditable to the Defined Benefit Supplement Program if the compensation is not ongoing:

- The number of times is specified,
- The compensation is not scheduled to continue

2/27/2019

13

Limited-Term Compensation – CalSTRS 2% at 60



2/27/2019

14

Creditable Compensation CalSTRS 2% at 62 Members

Creditable Compensation - CalSTRS 2% at 62

Education Code section 22119.3

Creditable compensation for members who are subject to PEPRA means:

1. Remuneration that is paid each pay period in which creditable service is performed for that position
2. Paid in cash by an employer to all persons in the same class of employees in accordance with a publicly available written contractual agreement



Creditable Compensation - CalSTRS 2% at 62

Education Code section 22119.3

Creditable compensation includes:

3. Paid for the use of sick, vacation or employer approved leave
4. Member contributions picked up by an employer pursuant to Section 22903 or 22904
5. Amounts deducted from members' compensation for deferred compensation plans, annuity contracts, retirement or insurance plans, etc.

2/27/2019

17



What we covered:

- CalSTRS 2% at 60
 - Salary
 - Remuneration in Addition to Salary
 - Limited Term Payments
- CalSTRS 2% at 62
 - Creditable Compensation

2/27/2019

18

For more information

- Contact your Employer Services Representative at EmployerHelp@CalSTRS.com
- Send a secure message through the Secure Employer Website (SEW)
- Employer Directives on CalSTRS.com:
 - 2017-05 : *Amendments to the Creditable Compensation Regulations*
 - 2015-03 : *Creditable Compensation Changes for CalSTRS 2% at 60*
 - 2014-01 : *Changes to the TRL made by Chapter 559, Statutes of 2013 (AB 1381)*

Questions?

