



[Employer Information](#) > [Benefit Programs & Contracting Services](#) > [Pension Reform Impacts](#) > **FAQs: Pension Reform Act of 2013**

FAQs: Pension Reform Act of 2013

These frequently asked questions reflect CalPERS preliminary interpretation of the complex changes brought about by the Public Employees' Pension Reform Act of 2013 (PEPRA) and related Public Employees' Retirement Law (PERL) changes. Positions taken in these FAQs may change as additional review and analysis continue, or as a result of any follow-up "clean-up" legislation.

Most recent FAQs will appear at the top of each subject area below. You can submit additional questions or comments about PEPRA online through [Ask CalPERS](#).

- [New Members](#)
- [New Retirement Formulas](#)
- [Defined Contribution Plans](#)
- [Employer and Member Contributions](#)
- [Health Vesting Changes](#)
- [Pensionable Compensation](#)
- [Working After Retirement](#)
- [Retroactive Benefit Enhancements](#)
- [Alternate Retirement Program](#)
- [Felony Forfeiture](#)
- [Additional Retirement Service Credit](#)

New Members

If a member of a reciprocal system is hired to a part-time position at a CalPERS-covered employer, once the member qualifies for membership after January 1, 2013, would he or she be a classic or new member? *(added 2/7/2013)*

To determine whether a member is subject to reciprocity, CalPERS reviews both the member's hire date and membership date with the CalPERS covered employer. Generally, CalPERS will find reciprocity is established for individuals if they are hired as a "part-time employee" of a CalPERS-covered employer within six months of permanently separating from the employer in the other retirement system. This is true even where the individual may not attain membership until after the six months has passed. These situations are reviewed on a case-by-case basis because this part-time employment must be the type of employment that results in CalPERS membership.

In order for the member to be considered a classic member in CalPERS, they would have needed to be a member of the reciprocal system prior to January 1, 2013.

Will CalPERS develop a list of all public retirement systems in the state for purposes of determining if reciprocity has been established? *(added 2/7/2013)*

CalPERS currently maintains a list of public retirement systems, counties, and public agencies who have a reciprocal relationship (by statute or agreement) with CalPERS. This list can be found in the publication, [When You Change Retirement Systems](#), and on the [Member Reciprocal Self Certification Form](#). CalPERS does not maintain a list of all public retirement systems in the State.

When adding a new member appointment in my|CalPERS, the list of reciprocal systems can be found on the my|CalPERS Appointment Detail page. To view the Reciprocal Agency field, expand the Reciprocity panel on the page and enter "Yes" for the Reciprocal Member Indicator.

If an existing member terminates membership and accepts a refund from CalPERS, then later returns to a CalPERS-covered employer, would that employee be considered a "new" member under PEPRA? What if the employee returned to a non-qualifying, part-time position? *(updated 2/7/2013)*

An individual who becomes a CalPERS member prior to January 1, 2013 who returns to work with the same employer is not considered a "new" member under PEPRA. The individual's original membership date would apply and he or she would be entitled to the classic formula he or she was eligible to receive if he or she returned to work on December 31, 2012 (prior to the effective date of PEPRA). If the employer has contracted for this optional benefit, the individual may be allowed to redeposit the withdrawn contributions to be eligible to receive the retirement benefit formula he or she was entitled to prior to the refund.

If the individual returns to work with a different CalPERS-covered employer, then he or she would be considered a "new" member if the break in service between employers is greater than six months.

Regarding the non-qualifying position, the member would need to qualify for CalPERS membership before a determination can be made.

What are the conditions in which an employee would be considered a new member under the Public Employees' Pension Reform Act of 2013 (PEPRA)? *(updated 2/7/2013)*

If a member's original membership date (with CalPERS or any California public retirement system) is prior to January 1, 2013, he or she would be considered a

classic member. If a member's original membership date is on or after January 1, 2013, he or she would be considered a new member under PEPRA. In addition, if a member has a break in service of greater than 6 months and does not return to the same employer where the member was previously employed, he or she would be considered a new member with respect to the new employment. Most CalPERS employers are considered unique employers for purposes of determining whether a break of 6 months or more has occurred, with the following exceptions:

- * State to State (including CSU, as referenced in Circular Letter 200-055-12) – Same employer
- * School to School – Same employer

Are part-time, currently employed miscellaneous staff who are not eligible for CalPERS membership until 2013 (and are not members of any other public retirement system) subject to the 2 percent at age 62 formula for new members? (added 10/24/2012)

Yes. PEPRA provides that the new pension formula be offered to new members. A new member includes an individual who becomes a member of a public retirement system for the first time on or after January 1, 2013 (and who was not a member of another public retirement system prior to that date). Under this scenario, a part-time employee – who is hired prior to January 1, 2013 but does not become a member of CalPERS until after January 1, 2013 – would be considered a new member for the purposes of PEPRA.

Are leaves of absence considered a break in service? (added 10/24/2012)

No. Leaves of absence (i.e., maternity leave, military leave) are not considered a break in service. A termination of employment must occur for there to be a break in service.

How will CalPERS determine if a new employee is eligible for reciprocity? (added 10/24/2012)

CalPERS is developing new procedures for employers to validate and report the reciprocal employment details. Employees are required to provide accurate and timely information to their employer regarding their reciprocal status.

New Retirement Formulas

What are the eligibility requirements for a new member under the Second Tier (1.25% at 67)? (added 2/7/2013)

For **Service Retirement**, the new member is eligible to retire at age 55 if he or she has 10 years of state service credit. For **Disability Retirement**, the new member is eligible to retire if he or she has 10 years of state service credit.

What are the retirement eligibility requirements for a member who has service under both the First Tier and "new member" Second Tier (1.25% at 67)? (added 2/7/2013)

For **Service Retirement**, a member that has First Tier service is eligible to receive a retirement allowance if he or she has attained age 52 and has a total of 5 years state service. No benefit is payable for the 2nd tier service unless the member has at least 10 years of state service credit. For **Disability Retirement**, a member that has First Tier service is eligible to receive a retirement allowance if he or she has a total of 5 years state service. No benefit is payable for the 2nd tier service unless the member has a total of 10 years of state service.

Did PEPRA change the mandatory retirement age for Patrol, Local Safety and State Safety Members? (added 2/7/2013)

No, PEPRA did not change the laws pertaining to mandatory retirement age.

Will the "new member" safety formulas have retirement formula caps (e.g. 90% for CHP)? (added 2/7/2013)

No, the new member safety formulas are not subject to a retirement formula cap.

Will we need to amend our contract to reflect the formulas being imposed by PEPRA? If yes, when must this be completed? (added 11/15/2012)

The contracts automatically incorporate all of the PEPRA provisions and do not need to be updated by January 1, 2013. CalPERS will automatically create new benefit packages for new members that reflect the new rules under PEPRA. CalPERS will carry forward the existing optional benefits and exclusions to the extent that these provisions remain available for new members under PEPRA. Although the contracts are automatically amended to reflect PEPRA's requirements, CalPERS will be updating these public agency contracts to reflect the changes over the next two years or when an employer amends their contract.

Is CalPERS recognizing ratified collective bargaining agreements that offer a lower retirement formula prior to December 31, 2012, even if the employer has not been able to complete the formal contract amendment process? (added 10/24/2012)

No. If an employer would like to adopt a lower benefit formula prior to January 1, 2013, the employer must complete the contract amendment process in accordance with all applicable requirements (the effective date is the date of final action of governing body) prior to December 31, 2012. CalPERS will work with employers to expedite the contract amendment process to the extent possible, but CalPERS cannot retroactively implement contract amendments that are completed after January 1, 2013.

PEPRA requires all new members to go into one of the lower retirement formulas and 3-year final compensation, but what about the other optional benefit provisions? (added 10/24/2012)

CalPERS will automatically provide all of the same optional benefit provisions provided to the latest active benefit group effective on December 31, 2012, to all new members, except to the extent an optional benefit is not permitted for new members.

Which new safety formula should be applied to new members hired on or after January 1, 2013? (added 10/24/2012)

Refer to the New Safety Formula that most closely matches the lowest amount of the Existing "at Age 55" Safety Formula below:

Existing Safety Formula	New Safety Formula
3% at Age 50; 3% at Age 55; 2% at Age 50	2.7% at Age 57
2.5% at Age 55	2.5% at Age 57
2% at Age 55; 2.5% at Age 60; ½ at Age 55	2% at Age 57

What is the minimum retirement age for the new 2 percent at Age 62 retirement formula? (added 10/24/2012)

The minimum retirement age is 52 with 5 years of service.

What happens to prior State service after January 1, 2013 when an existing employee who previously retired reinstates to work with a public employer? (added 10/24/2012)

PEPRA does not change how prior State service would be treated upon reinstatement. The prior State service would remain at the same retirement formula that was applied to it at the time of initial retirement.

Which retirement formula will be applied to employees who reinstate from retirement to accept a full-time position in January 2013 with the same employer they retired from? (added 10/24/2012)

A person who reinstates from retirement and returns to the same employer would be entitled to the same retirement formula he or she had at the time of the initial retirement.

Which benefit retirement formula will be applied to employees who reinstate from retirement to accept a full-time position in January 2013 with a different employer than they retired from? (added 10/24/2012)

Since a retirement is considered a break in service, the retirement formula that will apply to a person who reinstates from retirement and accepts employment with a different employer will depend on whether the person meets the definition of "new member" under PEPRA. If the person meets the definition of a new member, then the person will be enrolled in one of the new retirement formulas. Otherwise, the person will be enrolled in the formula the new employer had in place on December 31, 2012.

If a police cadet who is already enrolled in a retirement system with a 2 percent at age 55 retirement formula is later reclassified to a police officer in 2013, will that cadet be transferred to the new 3 percent at age 50 formula under PEPRA? Or can the reclassification be retroactive? (added 10/24/2012)

An individual who is a member of a retirement system as a police cadet in a miscellaneous formula and subsequently transfers to a safety formula will not be considered a "new" member under PEPRA and will therefore be entitled to the safety formula in effect on December 31, 2012. However, PEPRA prohibits retroactive benefit increases that include formula enhancements stemming from reclassifications from miscellaneous to safety, therefore, the service time accrued as a cadet will remain under the miscellaneous formula.

Defined Contribution Plans

May a public employer continue to maintain an existing defined contribution plan after December 31, 2012? (added 1/22/2013)

Yes. New members (defined in 7522.02(f)) may only participate in a defined contribution plan that was in place prior to January 1, 2013.

May a public employer adopt a new defined contribution plan on or after January 1, 2013? (added 1/22/2013)

If a public employer adopts a new defined contribution plan on or after January 1, 2013, the new plan must conform to the requirements of PEPRA (discussed below).

May a public employer provide contributions to a defined contribution plan for compensation above the pensionable compensation limit in 7522.02(c)? (added 1/22/2013)

Yes, but such contributions, when combined with the employer's contributions for compensation up to the pensionable compensation limit, may not exceed the employer's contribution (expressed as a percentage of pay) required to fund retirement benefits on compensation up to the pensionable compensation limit.

In addition, a defined contribution plan must meet the requirements and applicable limits under federal law. Internal Revenue Code section 401(a)(17) limits compensation that may be taken into account for retirement plan contributions. For 2013, the maximum compensation that may be counted for retirement plan contributions is \$255,000. This limit is indexed and may change from year to year.

Public employees have no vested right to continue receiving contributions with respect to compensation above the pensionable compensation limits in the future.

Employer and Member Contributions

If the employer determines that an existing MOU is impaired pursuant to Gov. Code section 7522.30(c), and any stated EPMC agreements will apply to new members through the duration of the MOU, will CalPERS implement a manual validation procedure to ensure EPMC is not being reported on payroll for new members? (added 2/7/2013)

Yes, CalPERS will validate to ensure that EPMC is not being reported for new members.

If employers must notify CalPERS in writing if they determine that their MOU is impaired and provide a certification signed by the agency's presiding officer, confirming that application of Section 7522.30(c) of PEPRA would cause an existing MOU to be impaired, when will CalPERS provide employers with access to the certification form? When does the certification form need to be turned in to CalPERS? (added 2/7/2013)

The [Certification of MOU Impairment form](#) is currently available to employers and is also attached to Circular Letter 200-063-12. The certification form should be submitted prior to submission of payroll for a new member. In 2013, CalPERS intends to propose regulations regarding the MOU impairment process, and it is important to note that as the proposed regulations proceed through the regulatory process, some changes to this employer certification form may be required.

Will employers need to differentiate between classic and PEPRA new members in their payroll? Is there a way for employers to determine whether members are classic or PEPRA? *(added 2/7/2013)*

No. When submitting payroll, employers do not need to identify whether a member is classic or a new PEPRA member. However, employers will be required to report contributions at the appropriate rate.

A myCalPERS report is available to identify any new members enrolled under PEPRA. Employers may access the report, identified as the Participant Pension Enrollment Data Report, through the Cognos Viewer.

What is the contribution rate for new members employed by contracting agencies, school employers, the judicial branch, and California State University (CSU)? *(added 11/15/2012)*

The law requires these new members contribute at least 50 percent of the total normal cost or the same contribution rate as "similarly situated" employees, whichever is higher. CalPERS will promulgate a regulation to clarify that "similarly situated" will be defined by the retirement formula to which the member is subject, meaning the new member will pay the same rate as other members in the same formula. Therefore, for new members, the initial contribution rate will be set at 50 percent of the total normal cost of whatever new retirement formula applies according to PEPRA.

Do existing non-represented employees of contracting agencies have to start paying half the normal cost on January 1, 2013? *(added 11/15/2012)*

Existing employees, both represented and non-represented, are not required to start paying half the normal cost on January 1, 2013. After January 1, 2013, employers continue to have the same authority to increase non-represented employees' contributions as under current law. In general, PEPRA does not change existing non-represented employees' contribution rates nor an employer's authority to alter those contribution rates.

Does PEPRA prohibit employers from paying Employer Paid Member Contributions (EPMC) or reporting it as special compensation for existing employees? *(added 11/15/2012)*

No. PEPRA does not prohibit employers from paying the member's contributions or converting these contributions to pay rate in the final compensation period where statutory and regulatory requirements have been met.

Does PEPRA prohibit employers from paying EPMC for new employees hired after December 31, 2012? *(added 11/15/2012)*

Yes. EPMC is prohibited for new members—unless an existing MOU will be impaired. Once the impaired MOU expires or is amended, however, EPMC is prohibited for new members.

If an employer currently pays all or a portion of their members' normal contributions (EPMC) for existing employees, does the employer have the option to discontinue this practice? *(added 11/15/2012)*

Yes. Sections 20961 and 20693 allow the employer to reduce or eliminate employer paid member contributions.

PEPRA provides that beginning in 2018 an employer may require employees to pay 50 percent of the total annual normal cost up to an 8 percent contribution rate for miscellaneous employees, and an 11 percent or 12 percent contribution rate for safety employees. Does this provision apply to all public employers? *(added 10/24/2012)*

No, this provision only applies to contracting agencies and school districts. Once it is operable in 2018, PEPRA does not require any employer to implement the change discussed in the statute, rather the statute says that an employer may do so where all other statutory requirements are met.

How should a contracting agency determine the "50 percent of the total normal cost" for current employees? *(added 10/24/2012)*

This information will be provided to contracting agencies as part of their June 30, 2011 Annual Valuations that will be mailed in November 2012. If a contracting agency desires a rough estimate of 50 percent of the total normal cost for each of its rate plans, the contracting agency may use the employer normal cost and employee contribution rate found in its June 30, 2010 Annual Valuation. Keep in mind that the total normal cost will increase with the June 30, 2011 Annual Valuation due to recent changes in actuarial assumptions.

How should a contracting agency determine the "50 percent of the total normal cost" for new members? *(added 10/24/2012)*

Upon completion of the June 30, 2011 Annual Valuations, the CalPERS actuaries will develop and provide contracting agencies with the necessary normal cost information for each of the new retirement formulas contained in PEPRA. These numbers should be used for determining the employee contribution for applicable new employees through June 30, 2015. Beginning with the June 30, 2013 Annual Valuation that sets the contribution rate for July 1, 2015, the employee contribution rate could fluctuate for each employer rate plan based on the actual experience and demographics of the employer.

How should State and school employers (including California State University, the judicial branch, legislative branch, and school districts) determine the "50 percent of the total normal cost" for current members? *(added 10/24/2012)*

The total normal cost for current members is available online in the [State and Schools June 30, 2011 Actuarial Valuation Report](#) (PDF, 4.38 MB).

How should State and school employers (including California State University, the judicial branch, legislative branch, and school districts) determine the "50 percent of the total normal cost" for new members? *(added 10/24/2012)*

The total normal cost for new members under the State and school plans will vary depending on the benefit formula applicable to the new member. The table below provides the total normal cost for new members for some State plans:

Plan	Total Normal Cost for New Members
State Miscellaneous – 2% at Age 62	12.1%
State Industrial – 2% at Age 62	14.4%
State Safety – 2% at Age 57	18.1%
POFF – 2.5% at Age 57	20.8%
POFF – 2.7% at Age 57	21.8%
CHP – 2.7% at Age 57	19.4%
Schools – 2% at Age 62	11.9%

For employers with multiple retirement formulas, will CalPERS provide multiple employer contribution rates, or one combined rate? (added 10/24/2012)

CalPERS will look to its existing practice related to two tiers of benefits when providing employer contribution rates for new members. For State and school employers, a single combined employer rate per plan will continue to be used. For public agency plans in a risk pool, a separate employer rate will be provided for the new PEPRA benefit formula. For public agency plans that do not participate in a risk pool, a combined rate will be provided.

Health Vesting Changes**Will there be clarification regarding the Health Benefit Vesting Schedule? (added 2/7/2013)**

In the clean-up bill, the Legislature plans to clarify that the health vesting provision will only apply to new members hired after January 1, 2013.

Pensionable Compensation**When will "pensionable compensation" be defined in terms of clearly identifying which forms of pay fall within the scope of reportable compensation? (added 2/7/2013)**

The following is based on existing statutory language but is subject to change if the statute is amended with clean-up legislation.

- For public agency and school employers, pensionable compensation was defined in Circular Letter 200-062-12. In 2013, CalPERS intends to propose regulations to clarify its interpretation of the items that may be reported as "pensionable compensation," and it is important to note that as the proposed regulations proceed through the regulatory process, some changes to the items listed as pensionable compensation in the Circular Letter 200-062-12 may be required.
- For State employers, pensionable compensation is still in the process of being defined by CalHR and CalPERS.
- For California State University employers, pensionable compensation is still under review.

Are employers able to report items of special compensation for new members or has that been eliminated for new members? (added 2/7/2013)

The following is based on existing statutory language but is subject to change if the statute is amended with clean-up legislation.

Yes, some items of special compensation can be reported for new members so long as the items meet the definitional requirements of pensionable compensation and are not excluded by the pensionable compensation statute. Further information is provided in Circular Letter 200-062-12. In 2013, CalPERS intends to propose regulations to clarify its interpretation of the items that may be reported as "pensionable compensation," and it is important to note that as the proposed regulations proceed through the regulatory process, some changes to the items listed as pensionable compensation in the Circular Letter 200-062-12 may be required.

Is Longevity Pay excluded from pensionable compensation under PEPRA? (added 2/7/2013)

The following is based on existing statutory language but is subject to change if the statute is amended with clean-up legislation.

No, Longevity Pay is still reportable as provided in Circular Letter 200-062-12 so long as it meets the definitional requirements for pensionable compensation. In 2013, CalPERS intends to propose regulations to clarify its interpretation of the items that may be reported as "pensionable compensation," and it is important to note that as the proposed regulations proceed through the regulatory process, some changes to the items listed as pensionable compensation in the Circular Letter 200-062-12 may be required.

What is the limit on pensionable compensation for 2013? (added 1/22/2013)

For members who participate in Social Security, compensation is capped at the Social Security Wage Base (\$113,700 for 2013; with annual increases based on increases to the Consumer Price Index).

For members who do not participate in Social Security, compensation is capped at 120% of the Social Security Wage Base (\$136,440 for 2013; with annual increases based on increases to the Consumer Price Index).

Does Assembly Bill (AB) 340 (PEPRA) change how CalPERS treats special compensation for current employees? (added 11/15/2012)

No. AB 340 does not change how public employers treat special compensation for current employees. However, PEPRA does establish a definition of pensionable compensation for new members, and that definition is different from compensation earnable, which applies to current employees.

How will CalPERS treat pensionable compensation if the individual is not in a group or class? (added 10/24/2012)

The Public Employees' Retirement Law addresses how an individual's compensation earnable is determined when the individual is not in a group or class. CalPERS plans to work with Legislative staff and will seek statutory amendments to clarify that these rules apply to determining pensionable compensation when a new member is not in a group or class.

Working After Retirement**If members retire from a reciprocal or non-reciprocal public retirement system, do they have to wait 180 days to work for a CalPERS employer? (added 2/7/2013)**

No. The 180-day wait period applies only where the post-retirement employment occurs with an employer in the same public retirement system from which the retiree retired.

If a retiree qualifies for an exception to the 180-day wait period does he or she still need to meet the bona fide separation in service requirement? (added 2/7/2013)

Yes. If the retiree is under the normal retirement age (as defined in Chapter 2 of Division 1 of Title 2 of the California Code of Regulations section 586.1) and service retired, he or she must meet the bona fide separation in service requirement regardless of whether the retiree qualifies for an exception to the 180-day wait period.

Do the retired annuitant restrictions now apply to CalPERS retirees who are acting as independent contractors, contract employees, and consultants employed directly with a CalPERS employer? (added 2/7/2013)

Yes. Under PEPRRA, any individual who is directly employed, including by contract, by a CalPERS-covered employer is subject to the retired annuitant restrictions. Employment through a third party employer is also subject to these restrictions if the terms of the employment constitute a common law employer-employee relationship.

If members violate the 180-day wait period are they subject to mandatory reinstatement? (added 2/7/2013)

Yes. As with other post-retirement employment violations, mandatory reinstatement is the consequence for violating the 180-day wait period. Until there is functionality in myCalPERS to detect a potential violation at the time the retiree is enrolled, employers should exercise due diligence to ensure every retiree who is subject to the 180-day wait period completes the wait period before beginning the post-retirement employment.

Does the 180-day waiting period apply to individuals who retired and were employed as a retired annuitant prior to January 1, 2013? (added 11/15/2012)

No. The 180-day waiting period only applies to retirees who seek employment as a retired annuitant after January 1, 2013. Retirees already working as retired annuitants will not be impacted.

If an employee's first day of retirement is prior to December 31, 2012, is that employee exempt from the working after retirement limitations in PEPRRA? (added 11/15/2012)

No. The post-employment provisions apply to any person receiving a pension from a public retirement system regardless of their retirement date. There are two exceptions to this rule: 1) A retiree that is appointed to a state board or commission; and 2) The 180-day waiting period for a retiree that is already working as a retired annuitant.

Can employees work in the private sector after retiring from a public employer on or after January 1, 2013 without jeopardizing their retirement benefits or waiting 180 days? (added 10/24/2012)

Generally, a retiree can work in the private sector (meaning he or she is not providing services directly to a public employer), or with a public employer that is not in the same retirement system the individual retired from, without waiting 180 days or being limited to 960 hours. Other restrictions could apply if the person retired on an industrial disability retirement.

PEPRRA exempts "public safety officers" from the 180-day waiting period. How will CalPERS define a "public safety officer?" (updated 1/11/2013)

For the purpose of the 180-day waiting period, CalPERS defines "public safety officer" to be the same as the term is defined in Government Code (GC) section 3301. GC Section 3301 defines public safety officer to mean "peace officer" as defined in certain specified sections of the Penal Code. A regulation will be promulgated accordingly.

Retroactive Benefit Enhancements

What are the benefit enhancements subject to the new prohibition under PEPRRA regarding retroactive contract benefit increases? (updated 2/6/2013)

CalPERS is in the process of determining which optional benefits fall under this prohibition. In 2013, CalPERS intends to pursue legislative changes that will define what benefits or optional benefits are, or are not, subject to the retroactivity prohibition.

The following optional benefit provisions, which are described in Circular Letter 200-062-12, have currently been identified as being affected by the new prohibition of retroactive contract benefit increases:

- G.C. Section 21427 – Improved Nonindustrial Disability Allowance
- G.C. Section 21547.7 – Alternate Death Benefit for Local Fire Members Credited with 20 or More Years of Service
- G.C. Section 21548 – Pre-Retirement Option 2W Death Benefit
- G.C. Sections 21624, 21626, 21628 – Post-Retirement Survivor Allowance
- Miscellaneous Member Classifications Optionally Reclassified to Safety by Amendment to the Contract

Does the prohibition apply to retroactive salary increases? (added 10/24/2012)

The prohibition on retroactive benefit increases do not impact salary increases. This is because retirement formulas already contemplate future salary increases. However, any increases must meet the definition of compensation earnable for existing members and pensionable compensation for new members in order to be used when calculating a retirement benefit.

As a result of PEPRRA, will there be any changes to how unused sick time will be applied for service credit at retirement? (added 10/24/2012)

No. PEPRRA does not change the provision that allows a member to convert sick leave to service credit. However, sick leave payouts would not count toward pensionable compensation for new members.

Alternate Retirement Program

An urgency legislative amendment was introduced to change the ARP sunset date from July 1, 2013 to January 1, 2013. What are State employers supposed to do if we hire someone after January 1, 2013 and the legislation is not passed yet? (added 2/7/2013)

CalHR administers the ARP program. If there are any changes to the current process, CalHR or SCO will provide additional instructions.

Felony Forfeiture

Does the PEPRRA felony forfeiture of pension benefit law apply to all employees? (added 2/7/2013)

Yes. PEPRRA makes former Government Code section 1243 (now Government Code section 7522.70) inoperative as of January 1, 2013, and the PEPRRA forfeiture statutes (Sections 7522.72 and 7522.74) apply to all employees including those employees hired before January 1, 2013. Any current or future public official or public employee convicted while carrying out his or her official duties, in seeking an elected office or appointment or in connection with obtaining salary

or pension benefits, will be required to forfeit any pension or related benefits earned from earliest date of the commission of the felony to the forfeiture date (the date of the conviction.)

Additional Retirement Service Credit

Will CalPERS accept applications to purchase Additional Retirement Service Credit (ARSC) from members if the service credit requirement will not be met until after January 1, 2013? *(added 11/15/2012)*

In order to be eligible to purchase ARSC, a person must have five years of credited state service, and his or her application must be received by CalPERS prior to January 1, 2013. A person that does not have five years of service credit prior to January 1, 2013, will not be eligible to make the purchase, and therefore will be prohibited by law from purchasing ARSC.

Dated: 02-07-2013