

Hold Harmless for K-14 Administrators in CalSTRS

Background

Since the 1990s, Education Code 22119.5 has defined CalSTRS creditable service for K-14 employees to be used by districts to determine whether an employee is eligible to participate in CalSTRS.

Prompted by findings in a City College of San Francisco audit, in August 2012, CalSTRS released Information Circular Volume 28; Issue 1 to employers that identified examples of educational administrator positions CalSTRS deems NOT to be performing creditable service.

This Circular sent shockwaves through the education community—people who believed they had been in legitimately CalSTRS positions found their job titles on this list.

Working with the K-14 community, CalSTRS opened a one-time 180 day window for some of those people to file election form to stay in CalSTRS. This window closed May 23, 2014.

This solution works for members who were previously teachers or faculty members or were otherwise performing service that CalSTRS deems creditable.

For those employees who do not have such a previously held position, there is currently no resolution.

Current Status

As of this spring, several community college administrators have received notice that their job description has been recently reviewed by CalSTRS and found that their position is not creditable to CalSTRS—these individuals have 45 days to request a review of the decision.

For those members who are ejected from CalSTRS, it is our understanding that the employee contributions are returned to the employee with interest (not investment earnings) and the employer contributions are returned to the employer without investment earnings or interest.

These employees—and many more like them—are facing ejection from the retirement system that they and their employers have been contributing to for years, sometimes decades.

The Solution

Working on behalf of their members, several K-14 statewide administrative organizations approached CalSTRS to seek an administrative remedy like the solution afforded to employees who are now electing to stay in CalSTRS retroactively.

CalSTRS believes a legislative remedy is needed and is agreeable to “grandfather in” those employees whose placement in CalSTRS between the effective date of E.C. 22119.5 and the clarifying Circular has now come into question.

At this point, a technical fix through an omnibus bill is the legislative solution being pursued.

ACCCA and other administrator member organizations have formally requested that audit letters to remove administrators from CalSTRS because of this issue be held in abeyance until a legislative solution is reached.