

Common COVID-19-Related Employer Questions

Due to the ongoing pandemic, school districts and county offices of education have been changing some of their regular practices and have been reaching out to CalSTRS with questions about whether changes related to compensation and service are creditable and how to report them. These changes include increasing the base days for the school year, offering more sick days to employees, and offering more leave for employees affected by COVID-19.

This Employer Circular does not take precedence over the law; it is meant to clarify how school districts and county offices of education should report to CalSTRS when there are changes due to COVID-19. If you have any questions regarding this circular, please contact CalSTRS Employer Help at EmployerHelp@CalSTRS.com.

Creditable Service and Creditable Compensation

As school districts and county offices of education adapt to the COVID-19 environment, it is important to remember that there have been no changes to the Teachers' Retirement Law or CalSTRS Regulations in regard to the meaning of either creditable service or creditable compensation. All the same rules exist and should be used when evaluating the creditability of any service performed or compensation earned by a CalSTRS member.

Changes to Base Hours or Base Days for the School Year

Some school districts and county offices of education may be adding base hours to the school day or adding base days to the school year due to the pandemic. This is not generally a problem when the law is kept in mind. Base hours or days must stay above the full-time minimum standards pursuant to Education Code section 22138.5. In general, the annualized pay rate is also adjusted when base hours or days are changed. School districts and county offices of education must accurately report the correct annualized pay rate so that full-time members will still earn a full year of service credit in a school year.

The salary associated with an increase in the number of base days or hours that creditable service is required to be performed during the school year is creditable to the Defined Benefit Program even if the increase in service is temporary or limited in time in the contract to only one or two school years.

Finally, in order for the additional hours or days to be creditable to CalSTRS, they need to be part of a publicly available written contractual agreement, including, but not limited to, a collective bargaining agreement or employment agreement.

Employer Grants Additional Sick Leave Days to Employees

Some school districts and county offices of education may be granting additional sick leave days to employees. Sick leave days are generally bargained for and are understood to be days that an employee may be able to bank and use when the need arises. Members can convert unused sick leave days into service credit at retirement, and it is the employer's responsibility to track both basic and excess sick leave for that purpose. For more information on tracking and reporting unused sick leave days, please refer to Employer Directive [ED2021-04](#).

Employer Grants Additional Employer Compensated Leaves of Absence

Some school districts and county offices of education may be granting additional compensated leaves of absence through the Families First Coronavirus Response Act (FFCRA) or through additional board-approved leave. Generally, compensated leaves of absence are employer-approved time off that is only paid when it is taken. With the passage of Chapter 275, Statutes of 2020 (Assembly Bill 2101), all employer-approved compensated leaves of absence are creditable to CalSTRS and should be reported in the same manner as any other leaves of absence granted by school districts and county offices of education. For more information on leaves of absence, please refer to Employer Directive [ED2020-06](#).

Reimbursements Not Creditable

Some school districts and county offices of education may be providing compensation to reimburse staff for supplies and technology needed while teachers conduct virtual learning classes. According to Education Code section 22119.2(d)(7) and 22119.3(c)(7), expenses paid or reimbursed by an employer are not creditable compensation for either 2% at 60 or 2% at 62 members and should not be reported to CalSTRS.

Working After Retirement

In March 2020, the Governor issued [Executive Order N-25-20](#), suspending some of the limitations in the Government Code for retired workers returning to the workforce. The Executive Order pertains only to the Government Code and does not affect CalSTRS members working after retirement. All of the rules and limitations for CalSTRS members working after retirement still apply. For more information on requirements for members working after retirement, please refer to the annual postretirement directive, the most current version is [ED2021-03](#).

All statutes in the Teachers' Retirement Law apply to service performed related to COVID-19. All service must meet the definition in Education Code section 22119.5 to be creditable. All compensation must be paid in accordance with the definition of creditable compensation in Education Code sections 22119.2 and 22119.3 and California Code of Regulations, Title 5, Chapter 2 to be creditable. As long as service and compensation comply with the Teachers' Retirement Law and CalSTRS Regulations, they are creditable to CalSTRS.

EMPLOYER INFORMATION CIRCULAR

Volume 37, Issue 03

June 9, 2021

Page 3 of 3

Resources

For information on the effects of school closures due to COVID-19, CalSTRS published [EIC20-06](#).

For further information, CalSTRS set up a COVID-19 resources page, which can be found on [CalSTRS.com/post/covid-19-resources](https://www.calstrs.com/post/covid-19-resources).

All Employer Directives (ED) are available online at [CalSTRS.com/employer-and-administrative-directives](https://www.calstrs.com/employer-and-administrative-directives). All Employer Information Circulars (EIC) are available online at [CalSTRS.com/employer-information-circulars](https://www.calstrs.com/employer-information-circulars).

Additional resources regarding creditable service, membership and other provisions of the Teachers' Retirement Law are available online on the [Employer Support Portal](#). There you will find tools and resources such as Teachers' Retirement Law Job Aids and the link to the [Pension Administration Learning Management System](#) (PALMS) where you have access to computer-based training modules.