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Circular Letter

November 5, 2015

**TO: NON-CENTRAL STATE AGENCIES, CONTRACTING EMPLOYERS,
AGRICULTURAL DISTRICTS, SUPERINTENDENTS OF SCHOOLS,
AND INDIVIDUAL SCHOOL DISTRICTS**

**SUBJECT: REVISED SERVICE PRIOR TO MEMBERSHIP SERVICE CREDIT
REQUEST FORM**

The purpose of this Circular Letter is to inform you that CalPERS has recently made changes to the employer certification section of the Service Prior to Membership (SPM) (PERS-MSD-370) service credit purchase request form.

Generally, a member may be eligible to purchase SPM service credit if they worked with an eligible CalPERS-covered employer in an eligible CalPERS-covered position, prior to becoming a CalPERS member. Members that would like to request cost information for SPM must submit a completed request form, including all required employer certification, which must be received by CalPERS at least one day prior to the member's effective retirement date.

The employer certification section of the request form has been revised in order to ensure that CalPERS is provided with complete and accurate payroll detail information for the SPM period.

What Are the New Requirements?

In addition to the current questions, the revised request form requires the following new questions to be answered:

- Did the member contribute to a retirement plan during the SPM period, and if so, what type of plan? Were those funds withdrawn from the plan?
- Was the SPM service rendered as an independent contractor or paid through a third party?

In addition to the new questions, the SPM form now requires the employer certification to provide the following information for the SPM period:

- Service period dates
- Position titles
- Pay rate(s)
- Hours worked
- Earnings per pay period

This information cannot be grouped together (i.e., three hours a day from January 1 to December 31). The required payroll detail must be provided per pay period.

Why Are These Changes Necessary?

CalPERS is required to ensure that we are processing service credit purchase requests using accurate information. Incorrect or incomplete SPM information can lead to:

- Erroneous arrears determinations
- Additional employer administrative fees
- Increased employer liability costs
- Increased member costs

By using the most accurate pay period detail, CalPERS will be able to ensure that SPM calculations are completed correctly, which will result in accurate employer liability when the member retires, if the member elects the purchase.

Acceptable Documents

Payroll documents may be submitted for review in lieu of completing the specific pay period detail required on the SPM request form. Any payroll documents submitted must include all required information (i.e., earnings per pay period, hours worked, pay rates, etc.). Please keep in mind that payroll documents do not replace the need for employer certification. The SPM request form must always be certified by an authorized employer representative. Once the completed request form is received, CalPERS staff will review the payroll documents. If the payroll documents do not provide the required information, the employer and the member will be notified and given 30 days to submit the required information before the request is closed as incomplete. The member will need to submit a new completed request form which may impact the member's eligibility, and/or cost, as well as the potential employer liability associated to the purchase, if elected by the member.

In the event that specific pay period detail is not available, the employer and/or the member may submit any substantiating documents for review. Please contact CalPERS for additional information.

Important Additional Information

All service credit request forms that require employer certification must be certified by an authorized payroll, personnel, or human resources employer representative.

CalPERS staff will review the employer's my|CalPERS account to determine if the certifying officer is listed as an authorized contact. Please ensure that your contact lists are updated in my|CalPERS with all authorized employer representatives.

Additionally, all service credit purchase request forms must be received at least one day prior to the member's retirement date. Any request forms received after a member's retirement date will not be accepted. Please keep in mind that SPM request forms must be certified in a timely manner in order to be received by CalPERS prior to the member's retirement date.

If you have any questions, please call our CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

CARENE CAROLAN, Chief
Member Account Management Division

Attachment