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Circular Letter

November 10, 2016

TO: **ALL CALPERS EMPLOYERS**

SUBJECT: **SENATE BILL 294, MILITARY SERVICE CREDIT – IMPACTS TO ALL CALPERS EMPLOYERS**

The purpose of this Circular Letter is to inform all employers that Senate Bill (SB) 294 will be effective January 1, 2017, and will amend Government Code (G.C.) sections 20997, 21024, and 21029 of the Public Employees Retirement Law (PERL).

G.C. Section Amendments

G.C. section 20997, Military Service-Employer Contribution, provides for a member to receive service credit for his/her military leave of absence at no member cost, under specific conditions. This section has been amended to include the following requirements:

- The employer will inform employees of their rights pursuant to section 20997, and provide the request form, within 30 days of the employee's return to employment.
- CalPERS will provide a separate and unique request form for Military Leave of Absence service credit. This form will state the member will not be obligated to pay for the service credit if eligibility is determined under section 20997.

The new form, titled *Request for Service Credit Information-Military Leave of Absence Service* (PERS-MSD-369A), is currently available on the CalPERS website. By providing the request form to your employees, you are not guaranteeing their eligibility. CalPERS will determine the member's eligibility under section 20997 upon receiving the completed request form.

G.C. section 21024, Public Service-Military Service-Local Member, and section 21029, Public Service-Military Service-State or School Member, provide for a member to purchase service credit for past active duty military service, served prior to establishing CalPERS membership. The amendment to both G.C. sections is as follows:

- The employer will inform all new employees upon being hired of their right to purchase their active duty military service credit.

By informing your employees of their right to purchase their past military service credit in CalPERS, you are not guaranteeing their eligibility. CalPERS will determine the member's eligibility upon receiving the completed request form.

New CalPERS Publication 15

As a result of SB 294, CalPERS has created a new member publication, which is available online through the CalPERS website. The Publication 15 is titled, *A Guide to Your CalPERS Military Service Credit Options*. This publication contains valuable information for our members who are requesting to purchase active duty military service credit prior to CalPERS membership, and/or military leave of absence service credit. This publication contains information regarding the following topics:

- Eligibility
- How the Cost is Calculated
- How the Service Credit Amount is Determined
- How to Complete the Request Form
- Important Information Regarding Purchasing Service Credit

The publication also contains the request form for Military Service Credit and the request form for Military Leave of Absence Service Credit.

Important Additional Information

A member must submit the applicable request form, with any required supporting documentation to CalPERS for review. CalPERS receives 1,200 to 1,500 service credit requests per month. We recommend this process be started at least a year in advance of the member's planned retirement date, to ensure the following:

- The request form is complete.
- The member's account has no discrepancies.
- The election to purchase service credit is received by CalPERS prior to the member's retirement date.
- The elected service credit is posted to the member's account for inclusion in the retirement benefit calculation.

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