

CALSTRS

Trends in appeal requests and resolutions

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Five-year review (2022)

2022: Administrative hearing process statistics

- Administrative hearing requests: 7
- Proposed decisions considered: 1
- Resolutions prior to PD consideration: 1
- No repetitive legal issue was presented in these seven requests for hearing although certain regularly-recurring themes were represented such as reported non-creditable compensation , errors and omissions, and additional assignment earnings improperly reported to the Defined Benefit Account

Trend: pandemic severely reduced hearing request numbers

Five-year review (2023)

2023: Administrative hearing process statistics

- Administrative hearing requests: 17
- Proposed decisions considered: 3
- Resolutions prior to PD consideration: 13
  - Hearing requests withdrawn: 8
  - Hearing requests resulting in settlement: 4
  - Hearing requests denied: 1
- Repetitive legal issues presented in hearing requests:
  - Disability denial (2)
  - Audits: Non-creditable compensation reported as special pay (5)
  - Audits: Incorrect reporting of additional assignment earnings (2)

Trends: Hearing request numbers normalized and hearing request withdrawals increased

Five-year review (2024)

2024: Administrative hearing process statistics

- Administrative hearing requests: 17
- Proposed decisions considered: 3
- Resolutions prior to PD consideration: 11
  - Hearing requests withdrawn: 7
  - Hearing requests resulting in settlement: 2
  - Hearing requests denied: 2
- Repetitive legal issues presented in hearing requests:
  - Penalties and interest disputes (2)
  - Audits: Non-creditable compensation reported as special pay (3)
  - Audits: Improper reporting of additional assignment earnings (4)

Trend: Consistency in hearing request numbers, legal issues, and resolution frequencies

Five-year review (2025)

2025: Administrative hearing process statistics

- Administrative hearing requests: 16
- Proposed decisions considered: 2
- Resolutions prior to PD consideration: 10
  - Hearing requests withdrawn: 2
  - Hearing requests resulting in settlement: 5
  - Hearing requests denied: 3
- Repetitive legal issues presented in hearing requests:
  - Audits: Non-creditable compensation reported as special pay (8)
  - Audits: Improper reporting of additional assignment earnings (4)
  - Excess post-retirement earnings (2)

Trends: Continued consistency in hearing request numbers and legal issues; increase in audit matter volume

Five-year review (2026)

2026: Administrative hearing process statistics

- Administrative hearing requests: 9
- Proposed decisions considered: 2
- Resolutions prior to PD consideration: 12
  - Hearing requests withdrawn: 8
  - Hearing requests resulting in settlement: 4
- Repetitive legal issues presented in hearing requests:
  - Disability denial (2)
  - Audits: Non-creditable compensation reported as special pay (2)
  - Improper reporting of additional assignment earnings as well as excess post-retirement earnings matters presented

Trends: Probable reduction in hearing requests; continued high frequency of hearing request withdrawals

Five-year review aggregate data

2022-2026: Aggregate administrative hearing process statistics:

- Administrative hearing requests: 66
- Proposed decisions considered: 11
- Resolutions prior to PD consideration: 47
  - Hearing requests withdrawn: 25
  - Hearing requests resulting in settlement: 15
  - Hearing requests denied: 7

Takeaways from resolution data:

- More than half of hearing requests end in withdrawal sometime during litigation process prior to PD consideration
- Annual PD consideration has been remarkably consistent
- Settlements are not a frequent resolution but used mostly to remedy correctable errors or to harmonize the matter with previous resolutions

Five-year review takeaways and trends

1. Administrative hearing request numbers have become normalized and largely consistent since 2023
2. Audit and audit-related matters specifically dealing with non-creditable compensation reported as special pay and the improper reporting of additional assignment earnings have been the dominant focus of hearing requests
3. Whether a matter goes to hearing depends upon the litigant and not the legal issue; issues present for PD consideration have been generally unique and not closely following hearing request type trends
4. Hearing request withdrawal is the most frequent resolution