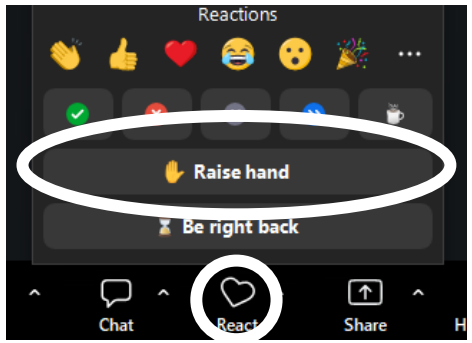
November 18, 2026 CalSTRS EAC will begin at 1 p.m.

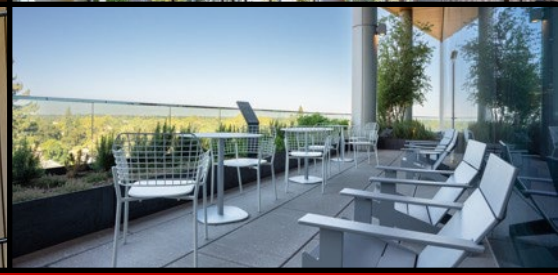
- In the Zoom webinar format, your screen should show audio and video from each presenter and the PowerPoint presentation.
- Attendees will have audio capabilities only.
- Meeting materials available online at www.calstrs.com/employer-advisory-committee.



- If you have a verbal question, select the “Raise Hand” icon.
- CalSTRS staff will introduce you and send you a request to unmute your microphone.
- Email questions to AdvisoryComimttee@CalSTRS.com.





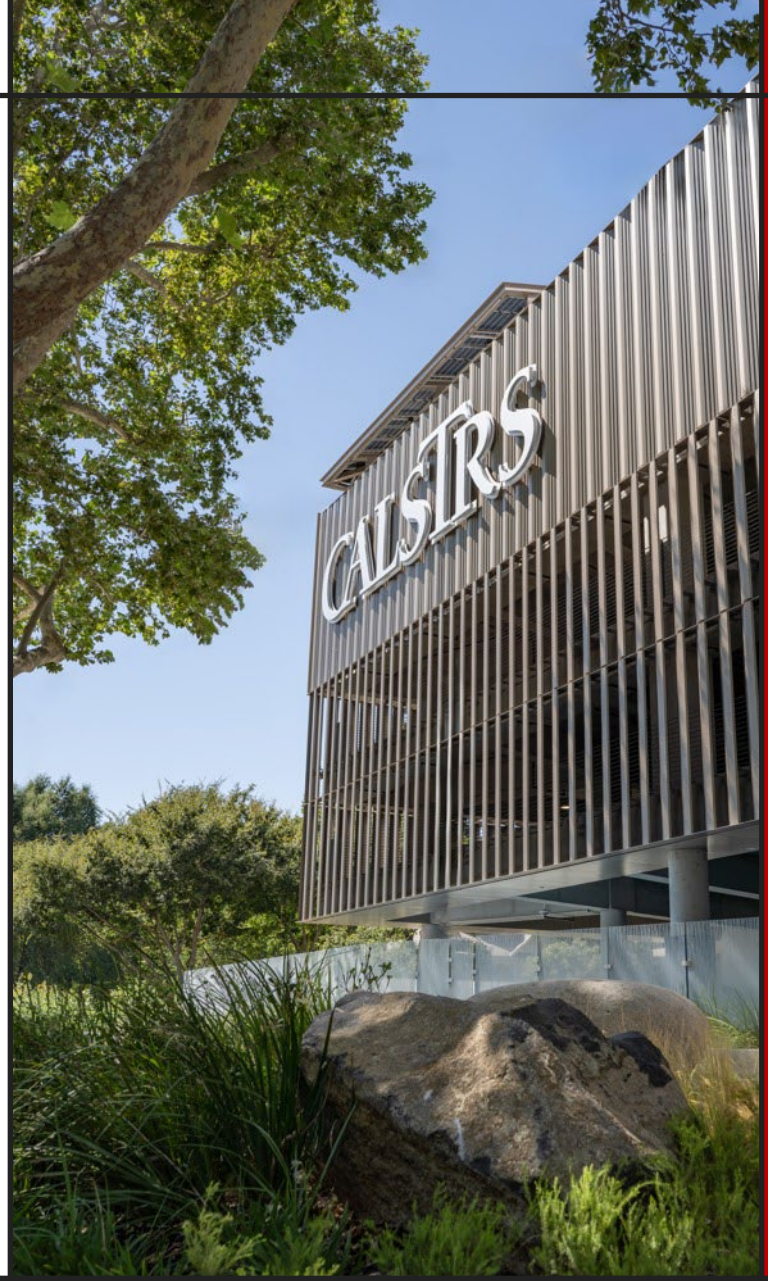



Employer Advisory Committee

November 18, 2026

Agenda

Time	Topic
1:00 – 1:05 p.m.	Welcome Maegen Wallick and Nicole Snyder
1:05 – 1:30 p.m.	Legislative and regulatory updates Joycelyn Martinez-Wade
1:30 – 1:40 p.m.	2025-26 Audit plan results Alma Aguirre
1:40 – 1:55 p.m.	Penalty and interest update Cassandra Mallett-Beck
1:55 – 2:05 p.m.	Service credit purchase request verification and approvals Abigaela Nwandu
2:05 – 2:15 p.m.	Secure Employer Website updates Mia Tannoia-Hill
2:15 – 2:25 p.m.	New File Format readiness updates Dan De Maglie
2:25 – 2:40 p.m.	Employer Training updates Katrina Gacic
2:40 – 3:00 p.m.	Closing reminders and open forum Maegen Wallick and Nicole Snyder



Latest developments (1/2)

- Employer Information Circular: Announces training opportunities for employer reporting partners in the second half of the 2026–27 fiscal year.
- SEW announcement: Reduced Workload Program reporting updates for special pay for CalSTRS 2% at 62 Members.
- SEW announcement: Updated CalSTRS Charter School/Nonprofit Public Benefit Corporation Certification form.

Latest developments (2/2)

- SEW announcement: The Return of Excess report is now available.

- New job aids and employer readiness materials related to the changes effective July 1, 2027, posted to the Employer Support Portal under New File Format Toolkit.



Legislative update

Joycelyn Martinez-Wade
Governmental Relations

2026 Legislative update (1/2)

- AB 1439 (Garcia) – California development projects report
- AB 1619 (Valencia) – Board member per diem
- AB 2417 (Zbur) – Retirement for part-time community college faculty

2026 Legislative update (2/2)

- AB 2519 (McKinnor) – Position subject to membership
- AB 2780 (PE&R) – Housekeeping
- H.R. 9732 (Casten-IL) – The Multi-Class Stock Company Voting Transparency Act

2024 Legislation implementation update

- AB 1997 (McKinnor) – Creditable compensation simplification
  - Effective July 1, 2027
  - AB 2519 provisions incorporated

2026 Legislation implementation update

- AB 2780 (PE&R) – Housekeeping
  - AB 1997 conforming changes – Retired member and participant activities
  - AB 1997 conforming changes – Cash Balance Benefit Program
  - Unused sick leave clean-up
  - Enrollment form consistency

2027 Potential legislative proposals (1/2)

- Housekeeping
  - AB 1997 clarifying and conforming changes.
  - Community colleges base hours documentation.
  - Authority to share legally required information.
  - AB 181 conforming changes.

2027 Potential legislative proposals (2/2)

- Excess sick leave billing clarification.
- DBS Program account distribution clarification.
- Separation-from-service exemption appointing authority clean-up.



Regulatory update

Joycelyn Martinez-Wade
Governmental Relations

2026 Regulations update

- Administrative Remedy regulations (AB 1667)
  - Board approval to begin the formal rulemaking process received in September.
  - Notice of proposed rulemaking expected in December.
  - Public hearing expected at the February board meeting.

Questions?

Contact

AdvisoryCommittee@CalSTRS.com

Regulations@CalSTRS.com







Fiscal Year 2025-26 Audit plan results

Alma Aguirre

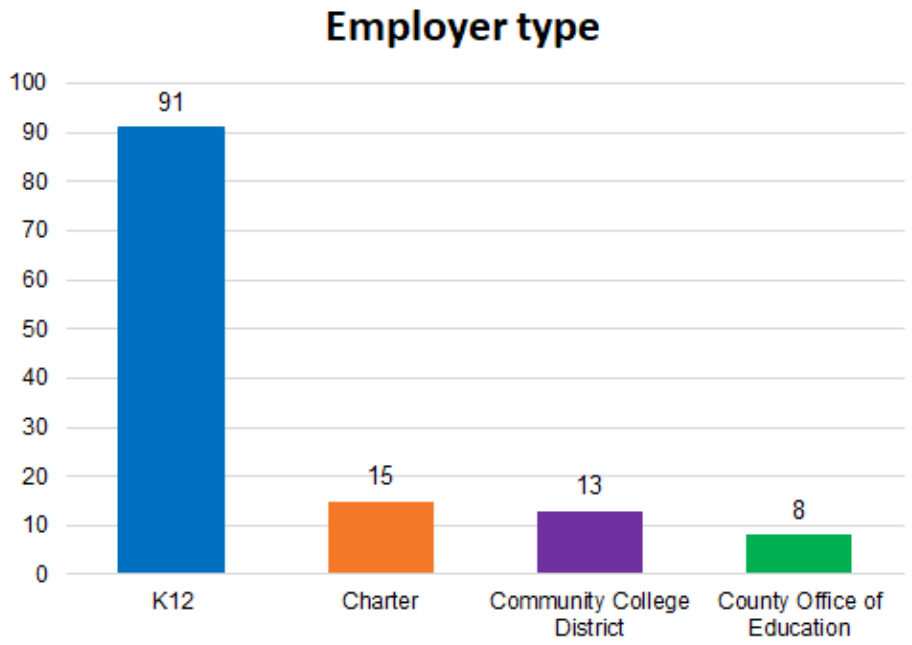
Employer Audits

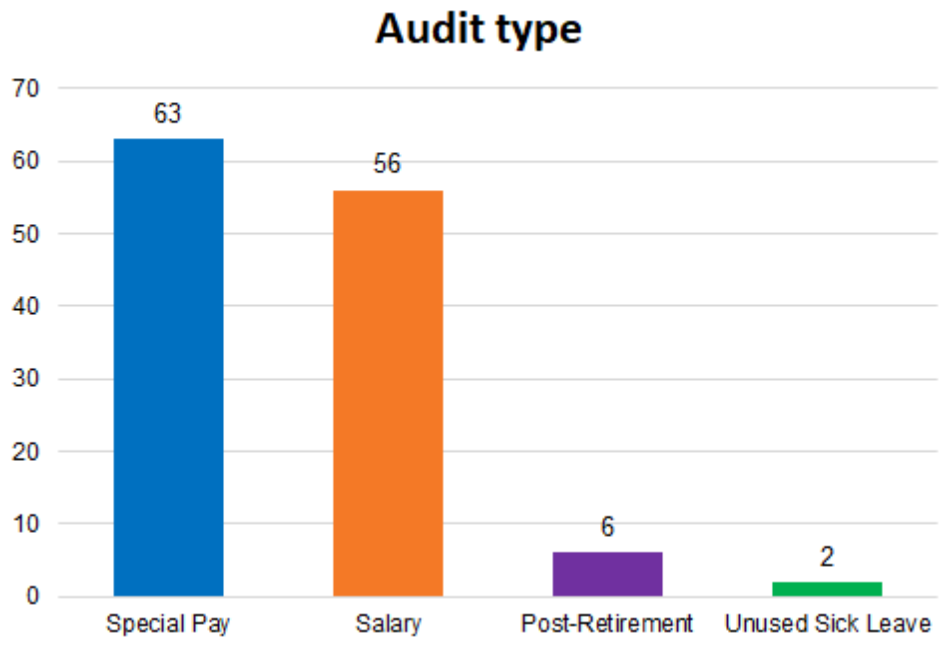
Presentation overview

- Audit plan results
- Common audit findings
- Employer audit finding resolution status
- 2026-27 Audit plan

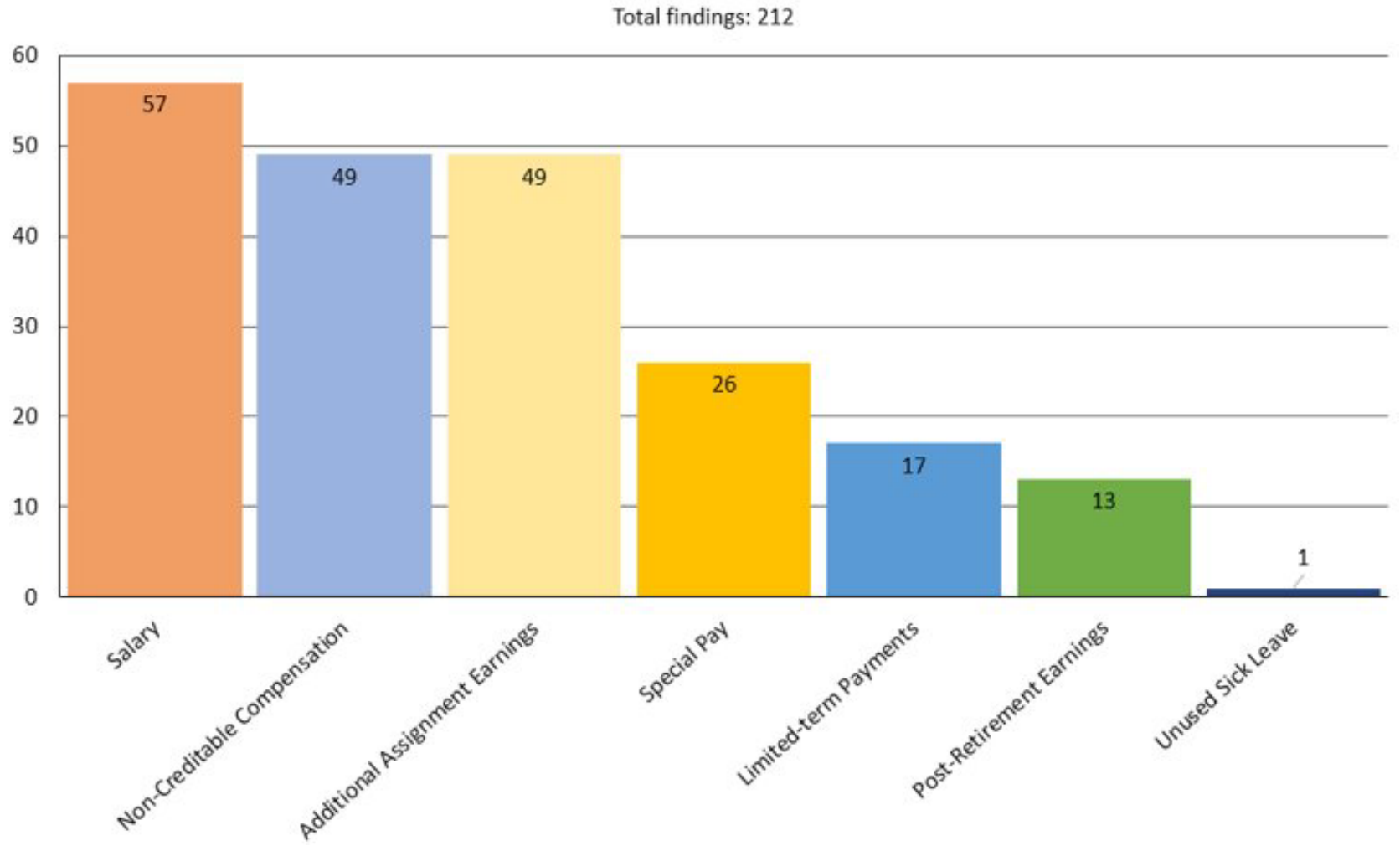
Total employer audits completed

Audit plan 125 audits → Completed 127 audits → Approx. 83,750 members → 212 new audit findings





Employer audit findings



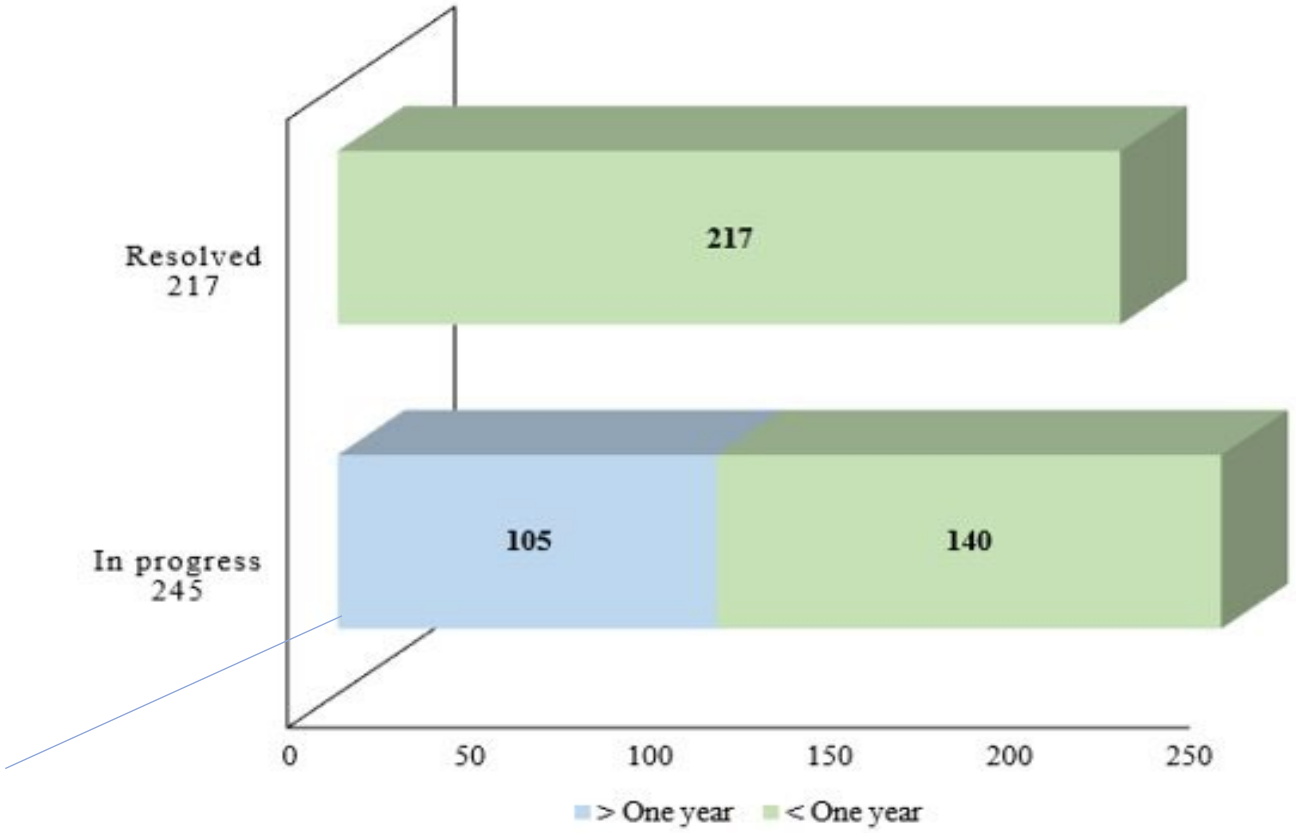
Common audit findings

- Salary
  - Retroactive salary adjustments
  - Incorrect calculation of earnings
- Non-creditable compensation
  - 2% at 62 members
  - Earnings not supported by publicly available contractual agreement
- Additional assignment earnings
  - Reported as special pay

Employer audit finding resolution status

July 1, 2025 through September 30, 2026

Age of recommendations > 1 year				
45 1-2 years	20 2-3 years	35 3-4 years	2 4-5 years	3 5-6 years



2026-27 Audit plan update



Audit plan for 125 audits

- 47 final reports issued to date
- 83 audit findings

4

Audit Types:

- Salary
- Special pay
- Unused sick leave
- Post-retirement earnings

Questions?

Contact aaguirre@calstrs.com







Penalty and Interest update

Cassandra Mallett-Beck

Financial Services Branch

Penalty and Interest update (1/3)

Issue:

- Netting logic for reversing and re-reporting lines changing assignment codes was not working properly.

Timeline of potential impact:

- Files received as of September 23, 2025 (system cutover date) to August 25, 2026.
- This issue was corrected as of August 25, 2026.

Penalty and Interest update (2/3)

Member	Pay period begin date	Pay period end date	Earnings	ER contributions	EE contributions	Assignment code*
Doe	04/01/2023	04/30/2023	-$2,200.83	-$224.59	-$420.36	55
Doe	04/01/2023	04/30/2023	$2,200.83	$224.59	$420.36	57

Impacted payroll lines:

- Reversed and re-reported a line and the only change was the assignment code.

Penalty and Interest update (3/3)

Next steps:

- Please contact contributions@calstrs.com if you are aware of a file that contains these types of adjustments.
- A CalSTRS circular will be available soon.

Questions?

Contact contributions@calstrs.com





Service Credit Purchase (SCP) request verification and approvals

Abigaela Nwandu

SCP – Billings Unit

Service credit purchase requests (1/7)

Members submitting service credit purchase requests for Leave of Absence (LOA) via *my*CalSTRS:

- Service credit purchase requests **need** to be processed by the district/employer (either rejected or approved).
- Service credit purchase requests for LOA in the Submitted for Employer Approval Status **prevent** CalSTRS from preparing the billing statement for other previously approved service credit purchase requests by the employer.

Service credit purchase requests (2/7)

Members submitting service credit purchase requests for leaves of absence via *my*CalSTRS:

- CalSTRS system will only allow one LOA to be processed per school year. Please contact CalSTRS if multiple LOAs for the same school year.
- If both Maternity and FMLA are taken in the same timeframe, please approve the Maternity **first** as the FMLA will be combined with the Maternity.

Service credit purchase requests (3/7)

Members submitting service credit purchase requests for leaves of absence via *my*CalSTRS:

- Multiple LOA requests within the same year can prevent the employer from approving any other request submitted.

Service credit purchase requests (4/7)

Employer can approve one type of leave (Maternity or FMLA) for the same timeframe:

- If the member/employee took Maternity and FMLA leave of absence in the same timeframe, please approve the **Maternity** leave first, as this will be combined with the FMLA leave into one billing statement for the member to purchase.

Service credit purchase requests (5/7)

Employer can approve one type of leave (Maternity or FMLA) for the same timeframe:

- If the employer approves FMLA first, the member or employee may receive less service credit than they could otherwise purchase for the time they were on maternity leave.
- The Maternity LOA provides a little more service credit than it's FMLA counterpart.

Service credit purchase requests (6/7)

Maximum Leave duration per type:

- **Maternity** = 24 consecutive months.
- **FMLA** = 12 non-consecutive weeks within a 12-month period.
- **Sabbatical** = between quarters or six months and up to two years with the condition that the employee must return to covered service with the **same** employer who approved the leave for **twice** the duration of the sabbatical leave that was taken (EDC Section 44966 & 44969)
  - The employee must have seven years of service with the school district prior to a sabbatical leave being granted.

Service credit purchase requests (7/7)

On the Secure Employer Website (SEW) creating Purchasable Service Credit Records

- **Annualized Pay Rate:** The full-time regular salary the employee earns in a full year in which they are not on an LOA (worked 100% of the year).
- **Earnings:** Refers to the total salary earnings missed for the year due to the LOA.
  - Dividing this amount by their Annualized Pay Rate calculates the exact percentage of the year the employee was on leave, which is the percentage of service the employee is eligible to purchase.

Questions?

Contact SCP@CalSTRS.com







Secure Employer Website updates

Mia Tannoia-Hill

Employer Services

Pending work items (1/2)

- Some employers have reported they are not receiving the system notification (Employer Termination Request – DB) related to the Termination for Refund pending work item.
  - This issue has not been identified consistently. In most cases, employers are still receiving notifications.
  - We are working to identify and resolve the issue.
- The pending work item still initiates and displays in the Pending Work Items panel on the SEW home screen.
- For more details on completing Termination transactions, see the Submitting Termination Data job aid at employersupport.calstrs.com.

Pending work items (2/2)

- Notifications for pending work items vary based on pending work item type. For more details see the Processing Pending Work Items job aid at employersupport.calstrs.com.
- We are reviewing these processes and working to create a more consistent user experience across the pending work item types.
- We highly encourage employers regularly check SEW for pending work items.
- We have identified a defect related to reporting unused sick leave for certifications of death before retirement. We are working on a resolution. More information will be shared as we work to address this issue.

Reporting special pay for DB 2% at 62 on RWP

- A system defect resolution included updated functionality for reporting special pay for DB 2% at 62 members participating in the Reduced Workload Program.
- Report ongoing special pay that is paid each pay period. The creditable service is performed for DB 2% at 62 members using assignment code 36. The pay rate is based on the special pay the member would have earned had the member not reduced his or her workload and earnings based on the actual amount earned.
- Training materials have been updated to reflect this change, an updated RWP Directive is in progress.

Reporting special pay for DB 2% at 62 on RWP – example

- Rose is a teacher with a master's degree at Titanic USD and is an RWP participant.
- Titanic USD offers a $1,000 master's degree stipend that is paid each pay period of the 10-month school term ($100 per month).
- Rose works 50% of her full-time equivalent in August and receives $50.

Assignment code	Pay rate	Pay code	Earnings	Contribution code	Pay period begin	Pay period end
36	$100	0 (Annual)	$50	6	08/01/2026	08/31/2026

New – Employee Maintenance Change Request

- A new Employee Change Request for employee maintenance is in development.
- This will provide a more streamlined and efficient method for requesting membership or employment changes, benefit structure changes or merges and replace requests through secure messaging.
- More information will be shared through SEW announcements, employer training materials and at a future EAC meeting.

Secure messaging

- Secure messages must be associated to a category and sub-category.
  - If you are unsure what category or sub-category to use, see the Employer Organization Secure Messaging Manual at employersupport.calstrs.com.

- Completed/closed messages do not initially display on the Secure Message Search screen. Click the “View All Completed” checkbox to view completed messages.

Questions?

For support submitting sick leave and termination information or reporting compensation for RWP participants, contact EmployerHelp@CalSTRS.com.





New File Format readiness updates

Dan De Maglie

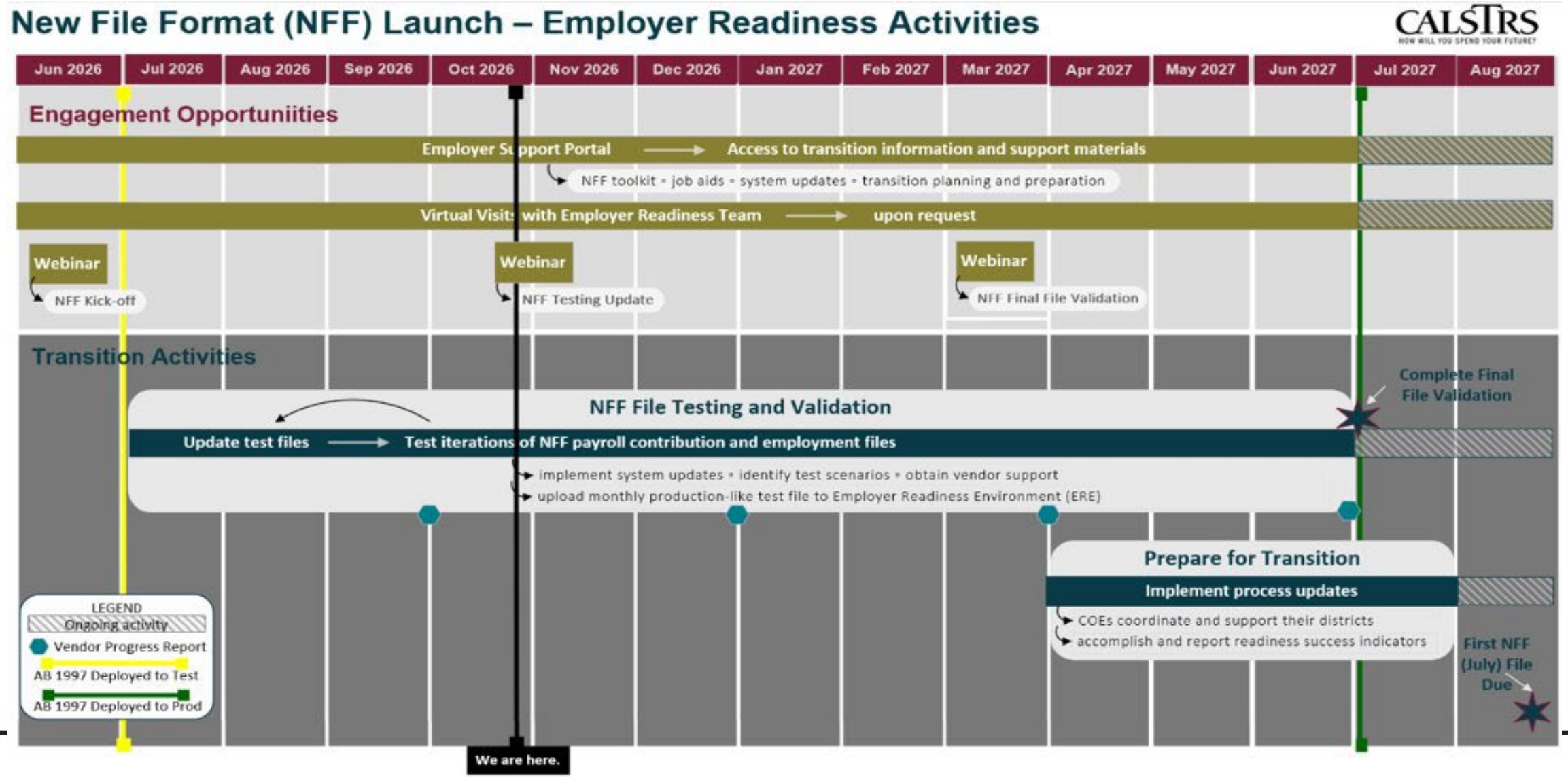
Employer Readiness Team



NFF with AB 1997 implementation

- One year of New File Format testing from July 1, 2026 to June 30, 2027.
- Implement NFF code updates in production SEW on July 1, 2027, for **all** report sources.
  - Report sources must use Old File Format to submit June 2027 files after implementation.
- CalSTRS will switch file format flag for report sources from OFF to NFF when you are ready to begin working on July 2027 reporting.
  - In August/September 2027, all report sources must begin using NFF with AB 1997 updates to submit July 2027 files.
- OFF file format will be decommissioned in August 2027.
  - CalSTRS will communicate exact dates.

NFF Timeline



NFF with AB 1997 testing and support

- NFF testing update webinar completed on 10/28.
  - Great engagement with Q&A.
  - Webinar recording and slides posted at employersupport.calstrs.com.
  - Five poll questions to help CalSTRS understand report source testing readiness.

- Report source and vendor testing.
  - ERT supporting new participants joining the NFF testing effort.
  - Recommend report sources test early and often with production-level files.
  - Support resources on the Employer Support Portal have been updated and elaborated with ‘how to’ videos.

Questions?

Contact the Employer Readiness Team at PSEmployerReadiness@CalSTRS.com







Employer training updates

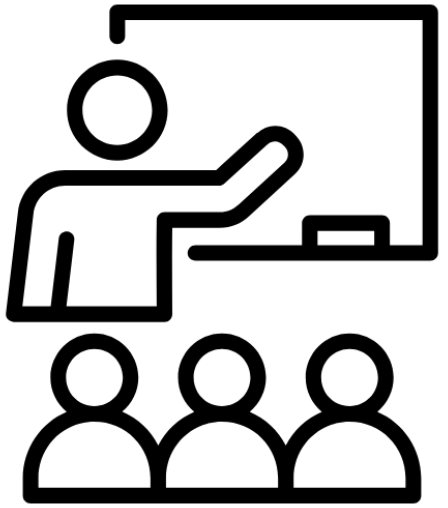
Katrina Gacic

Employer Training Services

Upcoming instructor-led training events: AB 1997 and NFF

Training Tips Forums:

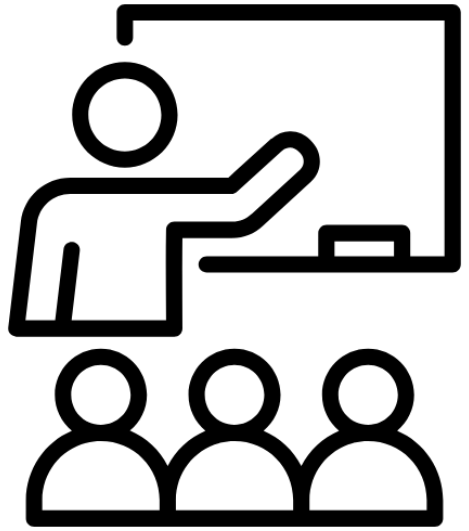
Topic	Dates
Changes to creditable compensation	• December 10 (at max capacity) • December 17
Cash balance enrollment and reporting	• March 25
Employment file	• May 6
Contribution file	• May 21



Upcoming instructor-led training events: All employers

All employer type trainings:

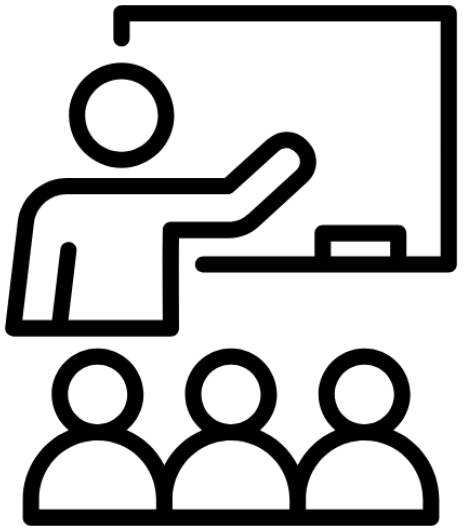
Course	Dates
Foundations of Employer Reporting (in person at CalSTRS HQ)	• January 13 • April 7
Reduced Workload Program	• April 22
Employer Educational Forum (in person at CalSTRS HQ)	• June 2
Working After Retirement	• June 10



Upcoming instructor-led training events: Employer type

Employer type trainings:

Employer Type	Dates and topics
PreK-12 School Districts	• January 28: DB membership and enrollment • January 29: Creditable compensation and reporting
Charter Schools	• February 18: DB membership and enrollment • February 19: Creditable compensation and reporting
Community College Districts	• March 18: DB membership and enrollment • March 19: Creditable compensation and reporting

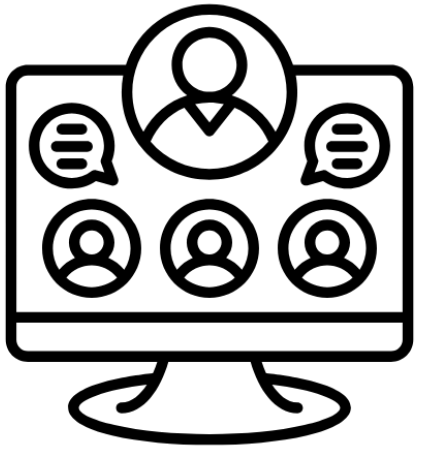


Job aids available on the Employer Support Portal (ESP)

- Effective July 1, 2027: AB1997 and New File Format (NFF) Crosswalk
- Effective July 1, 2027: Annualized Pay Rates
- Effective July 1, 2027: Creditable Compensation job aid and checklist
- Effective July 1, 2027: Defined Benefit Program Membership job aid and checklist
- Effective July 1, 2027: Position Subject to Membership job aid and checklist
- Effective July 1, 2027: Working after Retirement
- Effective July 1, 2027: Class of Employees
- Effective July 1, 2027: Reduced Workload Program

CBTs available on the Employer Learning Center (ELC)

- Introduction to Creditable Service and Creditable Compensation Simplification
- Effective July 1, 2027: Defined Benefit Membership Eligibility
- Effective July 1, 2027: Position Subject to Membership
- Effective July 1, 2027: Class of Employees
- Effective July 1, 2027: Creditable Compensation
- Effective July 1, 2027: Working After Retirement



Questions?

Contact Employer Training at
EmployerTraining@CalSTRS.com





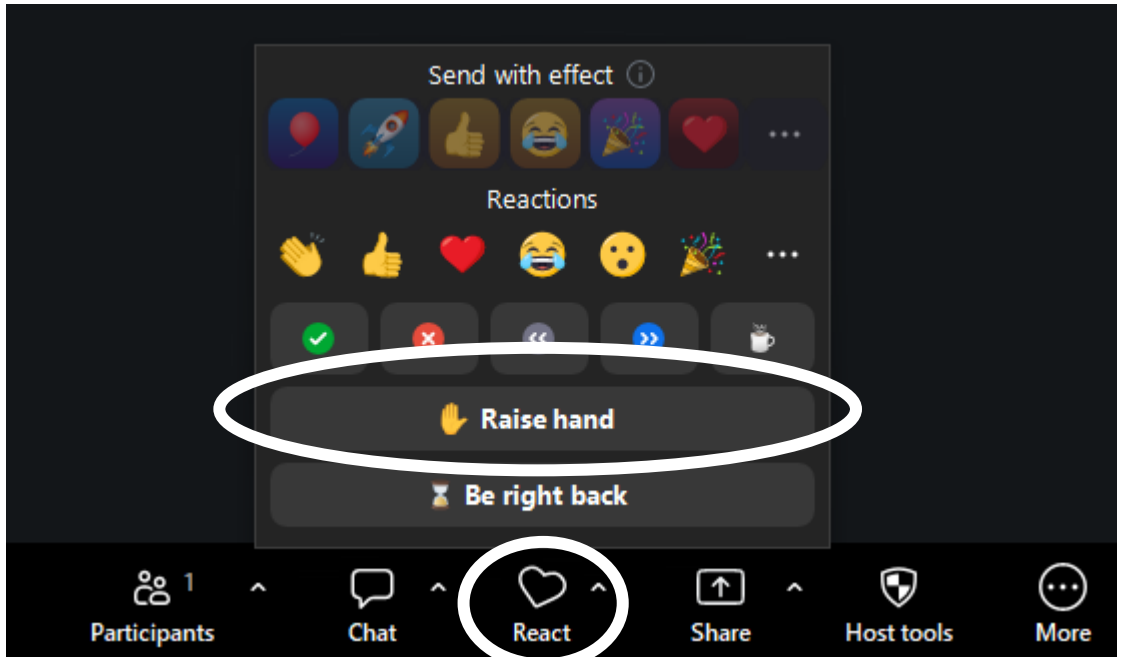
Closing reminders (1/2)

- CalSTRS will be closed November 26 and November 27 in observance of Thanksgiving Day, December 25 for Christmas Day, January 1 for New Year's Day and January 18 for Martin Luther King Jr. Day.
- Upcoming employer communications and publications:
  - Employer Directive: Reduced Workload Program
  - Employer Directive: Retirement Incentive Program
  - Employer Directive: Charter School Creditable Service Clarification
  - Employer Circular: Crediting of Pay Types
  - Employer Circular: Impacts to Reporting to the IRC Limit and Compensation Cap
  - Employer email: Reminder of Changes Effective July 1, 2027

Closing reminders (2/2)

- Reminder CalSTRS Historical Rates, Limits and Present Value Factor job aid retired from CalSTRS.com and are available in Reference Materials of the Secure Employer Website.
- Upcoming employer training opportunities:
  - Training Tips Forum: Accounts Receivable, November 19.
  - Training Tips Forum: Changes to Creditable Compensation, December 10 and 17.
  - Foundations of Employer Reporting, January 13.
  - Training Tips Forum: Cash Balance Enrollment and Reporting, March 25.
- Upcoming Employer Readiness Webinar to be scheduled in January 2027.

Open forum



- To ask verbal questions, use the “Raise Hand” reaction in Zoom
- Email questions to AdvisoryCommittee@CalSTRS.com



Share your feedback

Use the QR Code or the link provided after this meeting to share your feedback regarding this Employer Advisory Committee Meeting.

