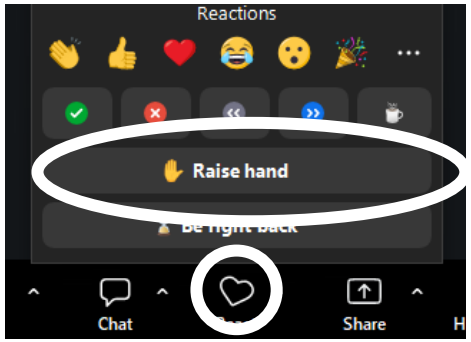
August 26, 2026 CalSTRS EAC will begin at 1 p.m.

- 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



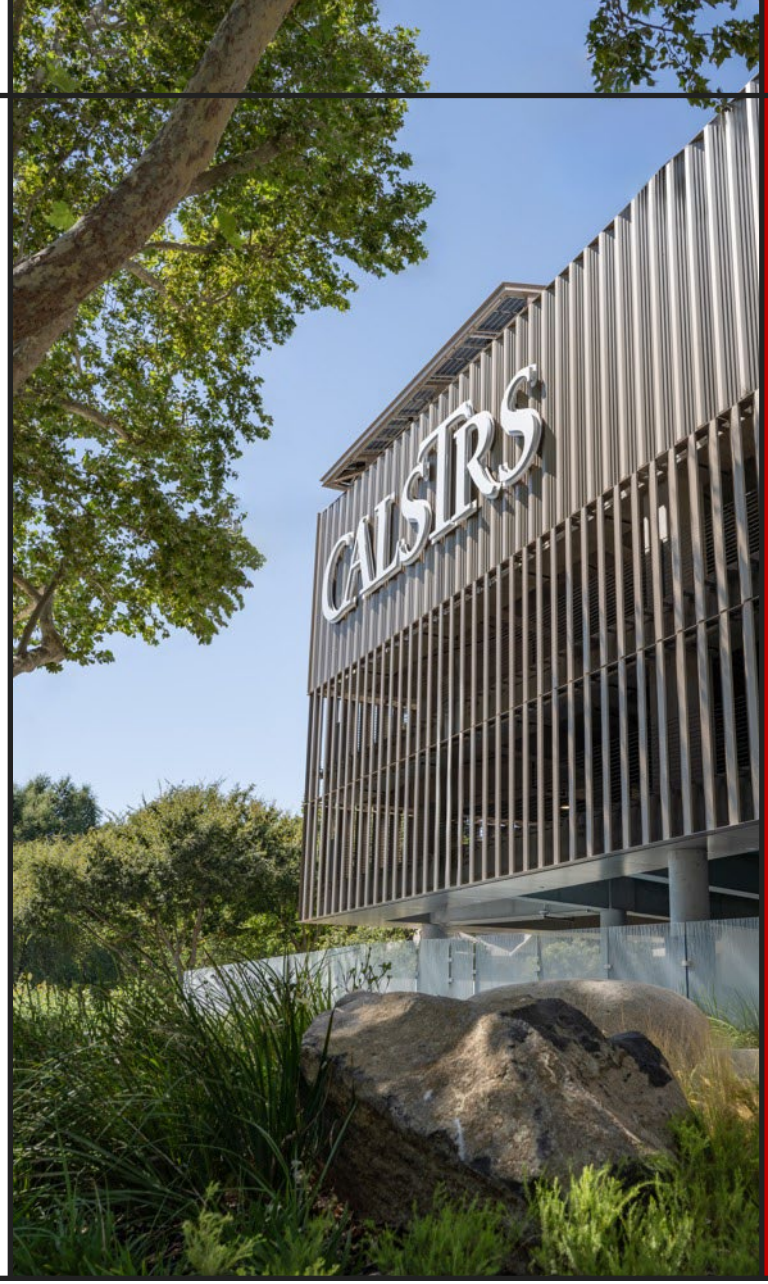
- If you have a verbal question, select the “Raise Hand” icon.
- CalSTRS staff will introduce you and send you a request to unmute your microphone.
- Email questions to AdvisoryCommittee@CalSTRS.com.

Employer Advisory Committee

August 26, 2026

Agenda

Time	Topic
1 – 1:10 p.m.	Welcome and latest developments Nicole Snyder
1:10 – 1:30 p.m.	Legislative and regulatory updates Joycelyn Martinez-Wade
1:30 – 1:45 p.m.	Creditable Service updates Beth Ruggiero
1:45 – 2:05 p.m.	Secure Employer Website update Mia Tannoia-Hill
2:05 – 2:20 p.m.	New File Format readiness and 2025-26 Annual Process update Dan Demaglie
2:20 – 2:30 p.m.	2026-27 Employer Training Plan Katrina Gacic
2:30 –3 p.m.	Closing reminders and open forum Nicole Snyder



Latest developments (1/2)

- Employer Directive 2026-05: Retirement Incentive Program.
- Employer Information Circular: Announces training opportunities for employer reporting partners in the first half of the 2026–27 fiscal year.
- SEW Announcement: Enhancements to secure messaging categories effective August 1.
- SEW Announcement: Action required related to Error Message ID: 30301164.
- Monthly and supplemental contribution files for the 2025-26 fiscal year were due August 13.

Latest developments (2/2)

- 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.
- New IRC and Compensation Over Cap Report job aid available on the Employer Support Portal under Production SEW Job Aids.

Legislative update

Joycelyn Martinez-Wade

2026 legislative update

- AB 65 (Aguiar-Curry) – Pregnancy leave for educators
- AB 181 (Alvarez & Patel) – Education commissioner
- AB 1439 (Garcia) – California development projects report
- AB 1619 (Valencia) – Board member per diem

2026 legislative update (con't)

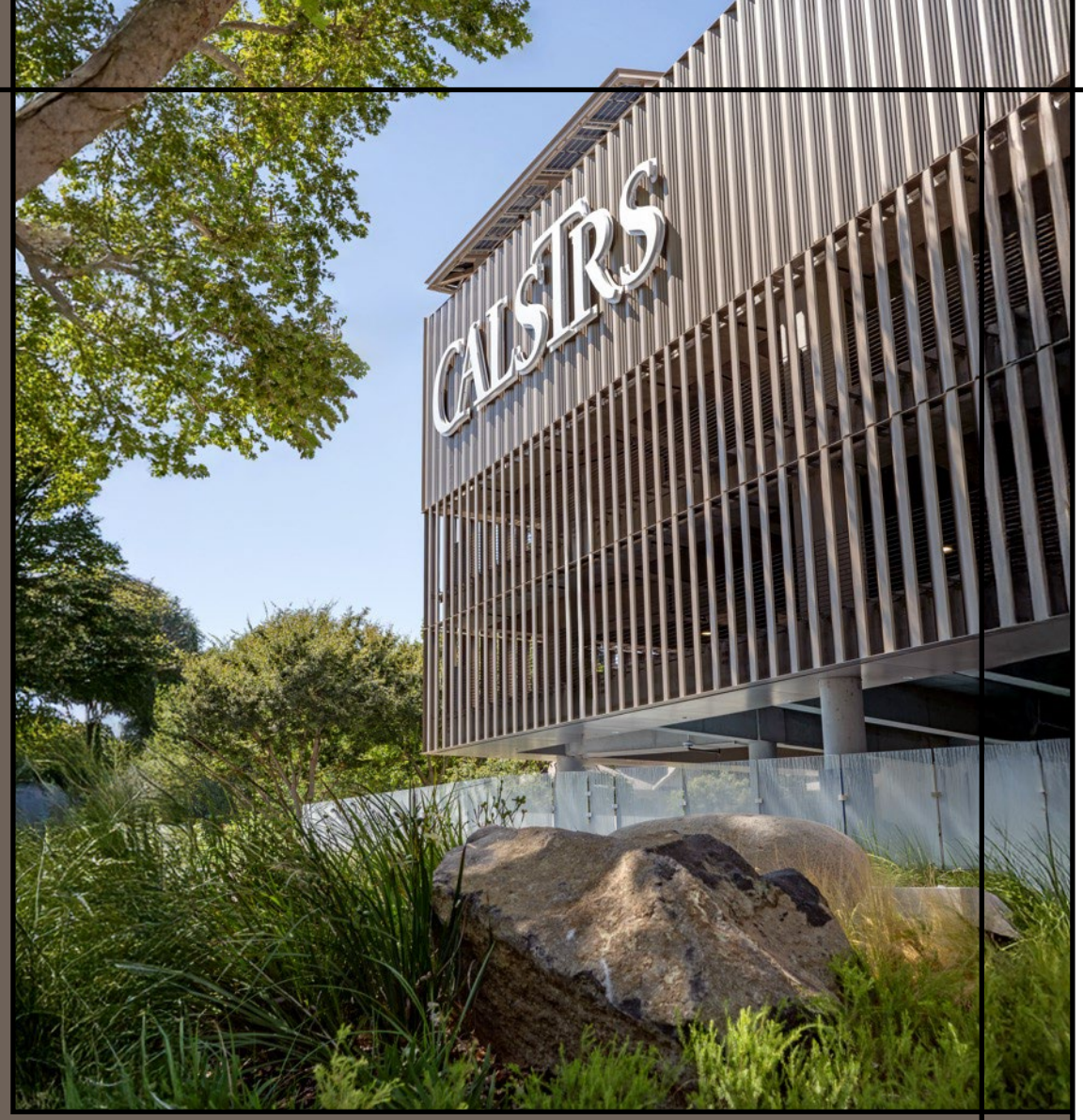
- AB 2417 (Zbur) – Retirement for part-time community college faculty
- AB 2519 (McKinnor) – Position subject to membership
- AB 2780 (PE&R) – Housekeeping
- H.R. 9732 (Casten-IL) – The Multi-Class Stock Company Voting Transparency Act

2024 legislation implementation update

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

2023 legislation implementation update

- SB 765 (Portantino) – Postretirement earnings limitations



Regulatory update

Joycelyn Martinez-Wade

2026 regulations update

- Administrative Remedy regulations (AB 1667)
  - Preliminary rulemaking activities
  - Action item seeking board approval to begin the formal rulemaking process at the September board meeting
- Noncreditable Compensation Clarification regulation (AB 1997)
  - Preliminary rulemaking activities

Creditable Service updates

Beth Ruggiero

Occupational and physical therapists

- CalSTRS is continuing to evaluate AB1009 and it's impacts to occupational and physical therapists. At this time, no action needs to be taken for those employed in these positions.

Charter schools

- We are still working to update the clarified Employer Directive 2026-01: Clarifying creditable service for charter schools and the *CalSTRS Charter School/Nonprofit Public Benefit Corporation Certification* (ES 0765) form.
- We will continue to review and evaluate action timelines for employer reporting partners working to complete the form and related documentation.

Secure Employer Website updates

Mia Tannoia-Hill

Accounts receivable (1/2)

Contribution AR file reminders

- Files may be uploaded by the report unit or report source, but may only be submitted to CalSTRS by the report source.
- Contribution AR only files and reporting Contribution Code 4 lines on the F496 must be associated to a payment in SEW by the report source before it will post to the member's account.
- A related Training Tips Forum will be announced at a later date.

Accounts receivable (2/2)

Permissive Accounts Receivable reminders

- Refunded payroll deductions are returned to the employer organization that originally sent the money.
  - If the money was originally sent in the new SEW this is always the report source.
  - If the money was originally sent in the legacy SEW, this may be the report unit or the report source.
- If you receive a file submission error related to the Contribution AR only file or Contribution Code 4 lines on the F496 contact PAR@CalSTRS.com.

Secure messaging (1/2)

- Secure message categories and sub-categories were updated effective August 1.
  - The enhancement to remove the retired categories and convert current categories is pending.
  - The following inquiry types should be submitted through secure message:
    - Working after Retirement: SR Earnings Limit Exemption
    - CalSTRS Retirement Incentive Program: CalSTRS Retirement Incentive Program
  - All sensitive member information must be submitted through secure messaging or uploaded to the member file.

Secure messaging (2/2)

- Effective September 1, requests for the following categories must be sent through secure messaging:
  - Employee Maintenance: Employment history or membership correction
  - Employee Maintenance: Benefit structure change
  - Employee Maintenance: Person record merge
  - Employee Maintenance: SSN or birthdate change
    - documents may also be uploaded to the member file in place of secure messaging.
  - Reduced Workload Program: Reduced Workload Program eligibility and guidance
  - Reduced Workload Program: Reduced Workload Program termination

Enrollments

Enrollments for active employees new to a district must be processed prior to submitting contribution reporting.

Employees with existing employment records do not need to be enrolled unless they are a non-member who has mandated or permissively elected membership.

If an employee was previously terminated and returns to work:

If they are working after retirement, do not enroll, submit AC 61 contribution reporting.

If they are active, submit a new enrollment.

Reporting termination and sick leave information (1/2)

Termination

- **Termination date**: the last day the employee was considered employed to perform creditable service for the employer.
- **Last compensation date**: the last day the employee earned creditable compensation, this is not necessarily the last day they are physically paid.
- **Last day of work**: the last day the employee performed creditable service for that employer.

Reporting termination and sick leave information (2/2)

Sick Leave

- **Unused sick leave:** The number of unused accumulated basic sick leave days. This figure must be reported in days.
- **Unused excess sick leave:** The number of unused accumulated excess sick leave days. This figure must be reported in days.
- Employers are responsible for tracking unused basic and excess sick leave days and the usage according to EDC 22724.

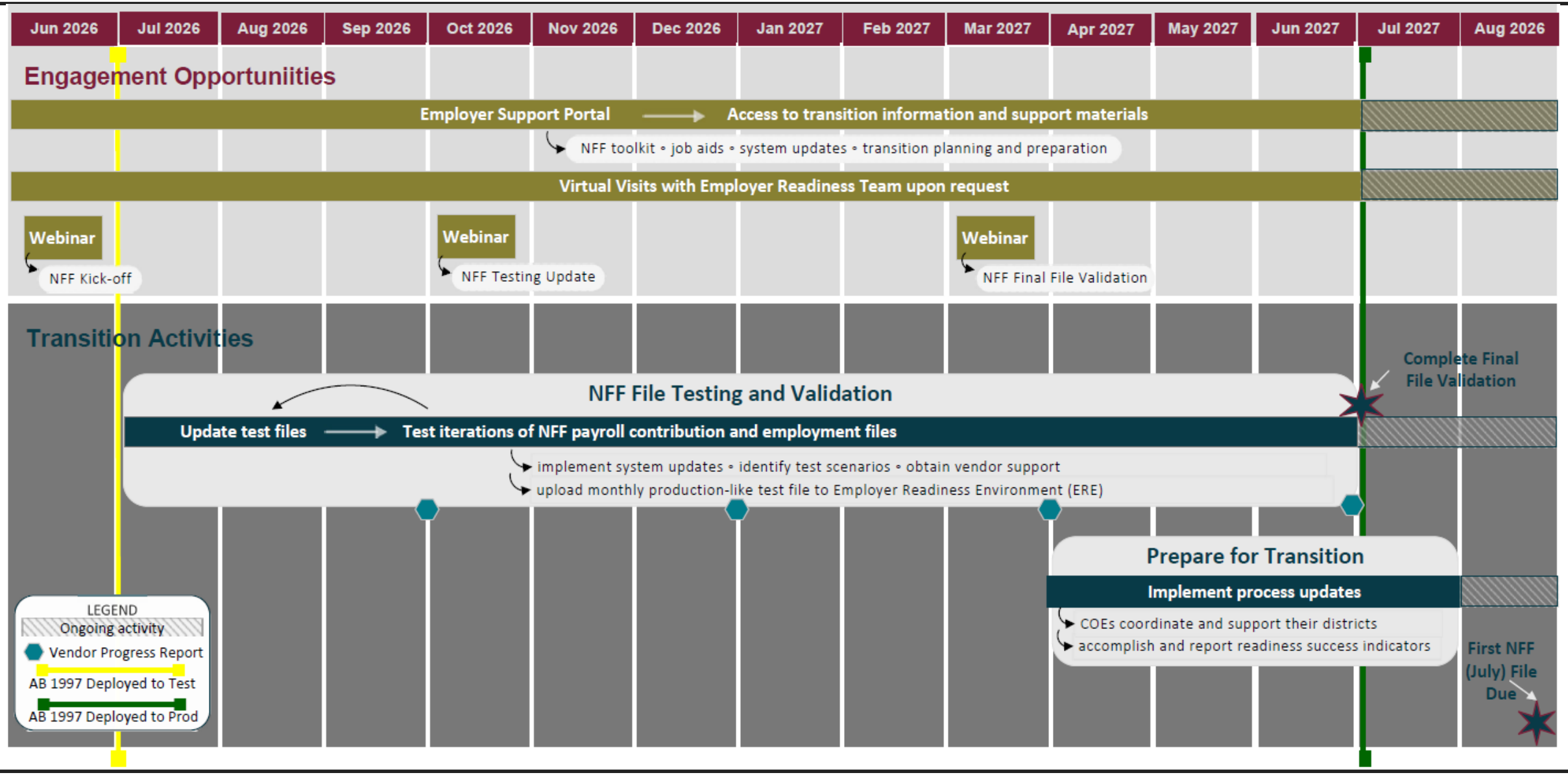
Error Message ID 30301164

- We identified a population of payroll detail records that have suppressed Error Message ID: 30301164 – “Pay Rate below STRS minimum limitation for Pay Codes 0, 1, 2, 3 or 7” that require validation and correction.
    - Review the Pay Rate, Earnings, Pay Code and Contribution Code.
- We are requesting impacted employers validate and make corrections by September 5 to minimize the member impacts including the overstatement of service credit and lowered compensation earnable calculations.
- The error message severity will be updated and new guidance will be issued for community college districts with valid circumstances.

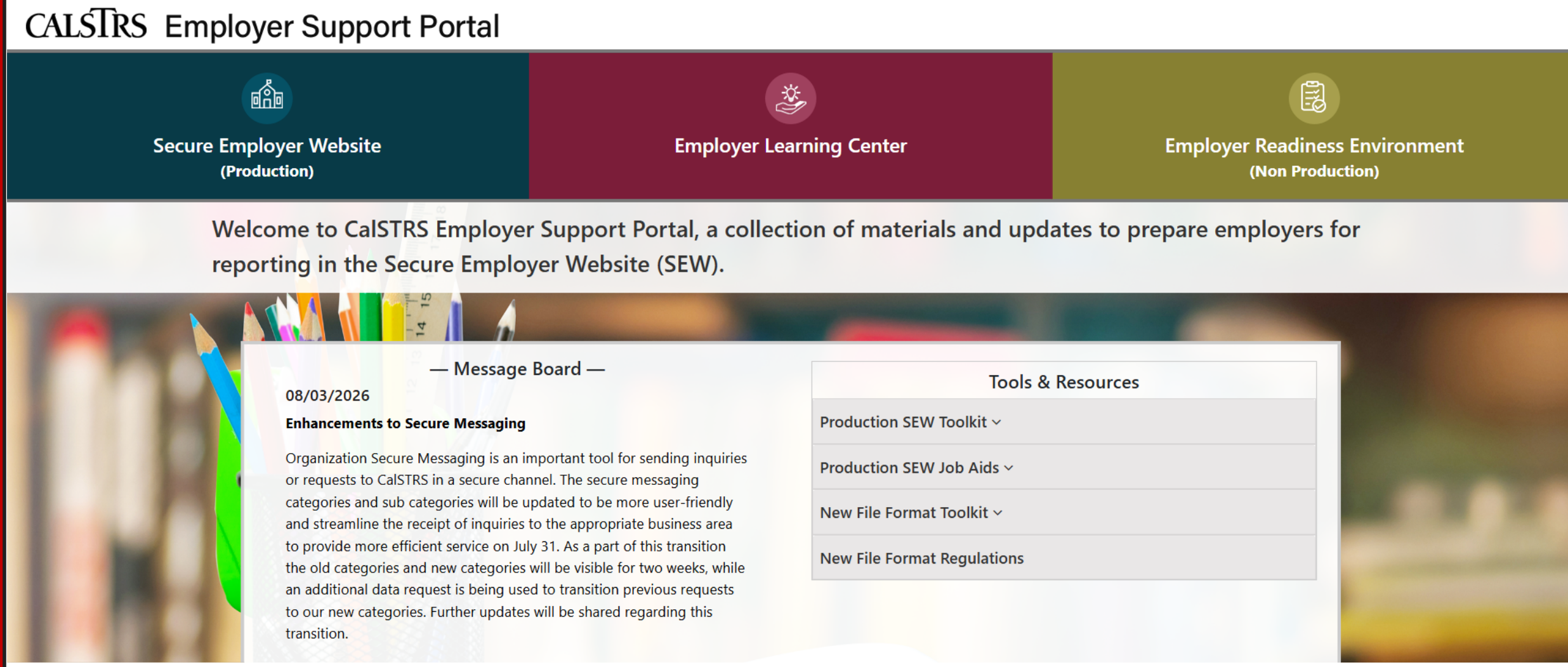
New File Format readiness & 2025-26 Annual Process update

Employer Readiness Team

August 2026


Jun 2026
Jul 2026
Aug 2026
Sep 2026
Oct 2026
Nov 2026
Dec 2026
Jan 2027
Feb 2027
Mar 2027
Apr 2027
May 2027
Jun 2027
Jul 2027
Aug 2026
Engagement Opportuniities
Employer Support Portal
Access to transition information and support materials
NFF toolkit ◦ job aids ◦ system updates ◦ transition planning and preparation
Virtual Visits with Employer Readiness Team upon request
Webinar
NFF Kick-off
Webinar
NFF Testing Update
Webinar
NFF Final File Validation
Transition Activities
Complete Final File Validation
NFF File Testing and Validation
Update test files
Test iterations of NFF payroll contribution and employment files
implement system updates ◦ identify test scenarios ◦ obtain vendor support
upload monthly production-like test file to Employer Readiness Environment (ERE)
Prepare for Transition
Implement process updates
COEs coordinate and support their districts
accomplish and report readiness success indicators
First NFF (July) File Due
LEGEND
Ongoing activity
Vendor Progress Report
AB 1997 Deployed to Test
AB 1997 Deployed to Prod

New look of the ESP



Employer Readiness Environment refresh schedule

- Last week was the first refresh since NFF deployment.
- Each refresh will bring in current data, to allow for up-to-date NFF testing.
- Refreshes occur the third week of each month, after delinquency date for production files.

Annual Process 2026

- This is similar to what we previously called Annual Update.
- Includes DBS transfer, AECs, COLA, SBMA, RPR generation and posting.
- DBS transfer should occur September 5, with return of excess contributions coming afterward
- Each subsequent weekend will have payment batches run, where the system will be down
- This should conclude the second weekend in October
- We will have SEW announcements to communicate system downtime

Questions?

Contact Employer Readiness Team at

psemployerreadiness@calstrs.com

2026-27 Employer Training Plan

Training and Development

AB1997 and NFF training materials (1/2)

Job aids available now on employersupport.calstrs.com:

- Effective July 1, 2027: AB1997 and New File Format (NFF) Crosswalk
- Effective July 1, 2027: Annualized Pay Rates
- Effective July 1, 2027: Creditable Compensation Checklist
- Effective July 1, 2027: Position Subject to Membership
- Effective July 1, 2027: Position Subject to Membership Checklist

AB1997 and NFF training materials (2/2)

Computer-based trainings available October 2026:

- DB Membership Eligibility
- Position Subject to Membership
- Creditable Compensation
- Working After Retirement
- Class of Employees
- Reduced Workload Program

Job aids under development:

- Effective July 1, 2027: Class of Employees
- Effective July 1, 2027: Working After Retirement
- Effective July 1, 2027: Reduced Workload Program

AB1997 and NFF virtual training opportunities

- Training Tips Forum: Impacts of AB1997 – September 10, 2026 and September 17, 2026
- Training Tips Forum: Position Subject to Membership – November 5, 2026 and November 6, 2026
- Training Tips Forum: Changes to Creditable Compensation – December 10, 2026 and December 17, 2026
- 2027 Training Opportunities: CB Enrollment and Reporting, Employment File, and Contribution file.

2026 virtual TRL training opportunities

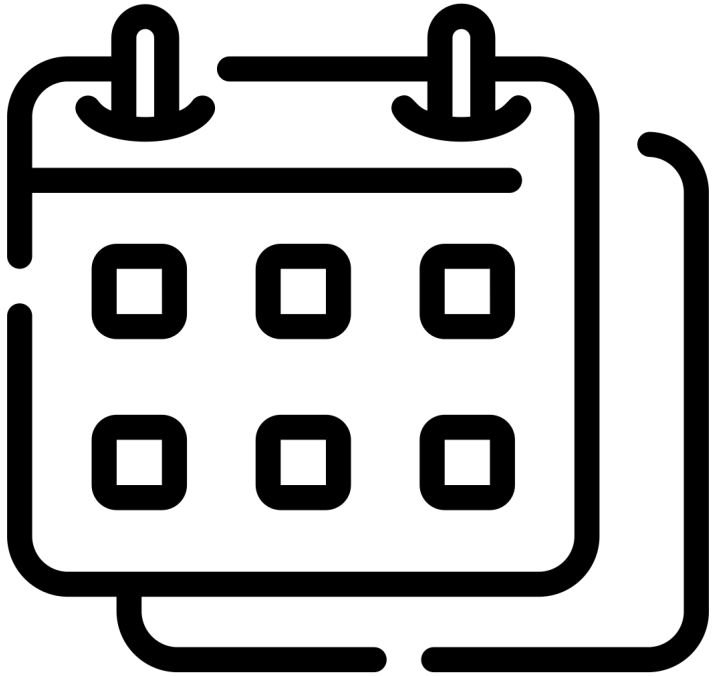
- PreK-12 School Districts Day 1 Webinar – September 24, 2026
- PreK-12 School Districts Day 2 Webinar – September 25, 2026
- Charter Schools Day 1 Webinar – October 22, 2026
- Charter Schools Day 2 Webinar – October 23, 2026
- Community College Districts Day 1 Webinar – November 12, 2026
- Community College Districts Day 2 Webinar – November 13, 2026
- Cash Balance – December 3, 2026

2027 training opportunities

- Beginning January 2027, all employer type trainings will cover the laws and regulations effective July 1, 2027.
- Additional in-person training events will be held at headquarters in West Sacramento.
- The schedule of training events will be published in October.

How to register for trainings

- Log in to employertraining.calstrs.com.
- Access the Training Calendar from the Dashboard.
- Select an event and click the Zoom link or copy and paste the link into an internet browser.
- Complete the applicable fields and click “Register.”



Questions?

Please contact EmployerTraining@CalSTRS.com

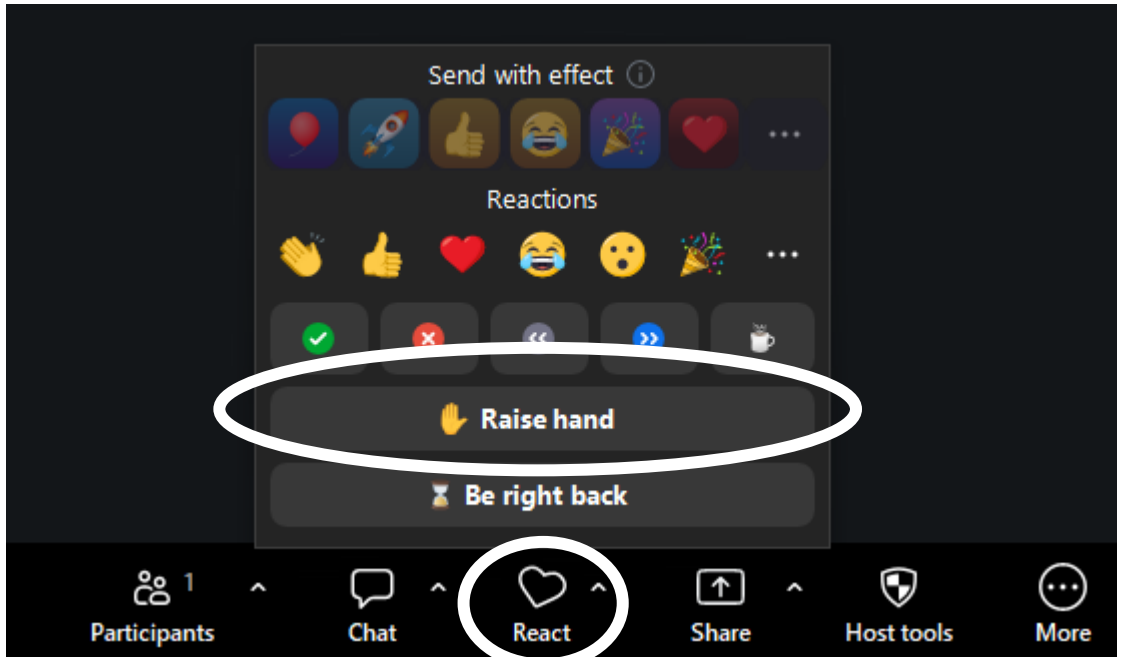
Closing reminders (1/2)

- CalSTRS will be closed September 7 in observance of Labor Day.
- Upcoming employer communications and publications:
  - Employer Directive: AB 1009 impacts to occupational and physical therapists as creditable service
  - 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
- Upcoming member communications related to potentially incomplete or inaccurate Retirement Progress Reports

Closing reminders (2/2)

- Upcoming Employer Training Opportunities:
  - Impacts of AB 1997, September 10 and 17
  - Pre k-12 (current law): Creditable Service and DB Membership, September 24
  - Pre k-12 (current law): Creditable Service and DB Membership, September 25
- Processing Membership date, Retirement formula, and Social Security Number change requests resumes in September.

Open forum



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Share your feedback

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