

Creditable Compensation Checklist

This document provides a checklist of the requirements for creditable compensation to assist employer reporting partners in analyzing when compensation is reportable to CalSTRS. See our [Creditable Compensation job aid](#) at employersupport.CalSTRS.com for more detailed information. If you have questions regarding the creditability of the service associated, see our [Creditable Service job aid](#) and/or [Creditable Service Checklist](#) at employersupport.CalSTRS.com.

If you have questions, contact EmployerTraining@CalSTRS.com or send a secure message in the Secure Employer Website. Please include applicable supporting documentation for review.

Revised: 09/20/2022

Conditions of creditable compensation (EDC 22119.2 & 22119.3)

When evaluating if a payment is creditable to CalSTRS we must first meet the conditions of creditable compensation. If any of the first three conditions are not met, the payment is not creditable to CalSTRS. If only the fourth condition is not met, the payment is not creditable for DB 2% at 62 members but may still be creditable for DB 2% at 60 members.

- Is the payment associated with the performance of creditable service?
 - What service are they performing?

- Is it paid according to a publicly available written contractual agreement?
 - What type of documentation do you have for the payment?

Examples: MOU, board minutes, salary schedule, bargaining agreement, etc.

- Is it paid in cash to all in the same class of employees?
- Is it paid each pay period that creditable service is performed (DB 2% at 62 only)?

Salary vs. Special Pay (5 CCR 27400 & 27401)

When the conditions of creditable compensation are met, the payment must then meet the requirements of salary or special pay. If the payment does not meet the requirements of salary or special pay, it is not reportable to CalSTRS for either benefit structure.

Salary

If a payment does not meet the following requirements, it will not be reportable as salary.

- Is the payment directly for the performance of creditable service or additional creditable service?
 - What service are they performing?

- Is it explicitly characterized as salary and used as a basis for future pay increases?
 - Is it exempt as payment for activities related to an outgrowth of the instructional program?
 - Is it exempt as duties related to related to the examination, selection, in-service training, mentoring, or assignment of teachers, principals or other similar personnel involved in the instructional program?

Special pay

If a payment does not meet the following requirements, it will not be reportable as special pay.

- Is the payment not associated with the performance of *additional* service?
- Is it paid to all in the class of employees in the same dollar amount, percentage of salary, or amount being distributed?
- Is it paid in the same manner to all in the class and not available in an alternative format subject to choice by employer or employee?
- Is the payment for meeting one of the special pay contingencies:
 - Availability of funding
 - Certificate/license/degree
 - Longevity
 - Hiring/transfer/retirement

- Difficult to staff
- Excess students
 - Is the full-time associated with a non-time-based measure?
 - Is the non-time based compensation associated with earning additional load credits?
 - If you've checked both boxes, you will need to evaluate the payment as salary.
- Performance benchmark

Special Pay – Ongoing or Limited term (5 CCR 27602)

If a payment meets the requirements of special pay, it can be considered ongoing or limited term, which will impact reportability for 2% at 62 members and reporting codes for 2% at 60.

- Is the payment paid every pay period the creditable service is performed, and available on an ongoing basis?
 - If so, the payment is reportable for 2% at 60 and 2% at 62 members
- Is the payment available on an ongoing basis, but not paid each pay period?
 - If so, the payment is only reportable for 2% at 60 members.
- Is the payment paid a limited number of times, has a specified end date, or is otherwise scheduled to not continue?
 - If so, the payment is only reportable for 2% at 60 members.

Additional Assistance

If you'd like additional assistance in analyzing the payment, download the form for full functionality and click the submit button or email EmployerTraining@CalSTRS.com. Including this completed form and documentation regarding the payment can reduce the amount of follow up questions and wait times on inquiries you submit.