

Pension Solution—What Does It Mean for Employers?

CalSTRS' pension administration system tracks members' service credit, compensation and payments throughout their careers. The system plays a key role in the organization's ability to fulfill its mission of securing the financial future and sustaining the trust of California's educators.

In order to support increasingly complex business and customer needs for CalSTRS' growing membership of more than 964,000 members and their beneficiaries, it is crucial that CalSTRS has a pension administration system able to manage large quantities of data in adherence with California's complex Teachers' Retirement Law, as well as improve the customer experience.

Pension Solution is a multi-year system modernization project with completion expected in 2022–23. The new system will pay more than \$1.2 billion to more than 308,000 benefit recipients each month, and these numbers will continue to grow. CalSTRS will transition to the new pension administration system before its current system is no longer technologically sustainable. This transition will be phased in to manage and limit the effects to those CalSTRS serves. CalSTRS will ensure that the new pension administration system addresses:

Once operational, the new system will allow CalSTRS to:

- Increase ability to respond to customer and business needs.
- Enhance services to members, beneficiaries, staff and employers.
- Gain long-term operational efficiencies.
- Improve internal controls.

- **Functionality** – It will calculate and administer the plan's increasingly complex benefits.
- **Usability** – It will simplify communication and processes for members, beneficiaries, staff and employers.
- **Impact** – It will streamline information and processes, saving time and improving data accuracy.

Project Schedule

Rollout #1 Employer Readiness Environment	Rollout #2 Administration Calculations and Payments	Rollout #3 Customer Service Management	Early Life Support Warranty, Maintenance and Operations
Non-production environment for employers Early exposure to system for staff supporting employers Employer education and training	Processing benefit applications Calculating benefits Benefit payments and adjustments Employer reporting myCalSTRS Refresh	New myCalSTRS functionality Benefits planning scheduling Internal customer service view Mobile applications	Perform warranty and transition project to maintenance and operations
Fall 2019	Late 2021	Early 2022	Mid 2022 onward

Employer Readiness Environment

The first phase of the transition to the new Secure Employer Website was the Soft Launch of the Employer Readiness Environment in October 2019. This nonproduction testing environment provides Report Sources the opportunity to learn how to integrate and work with the new Secure Employer Website. This phase also provides testing opportunities to ensure employers' human resources and payroll systems are ready to report once the new Secure Employer Website goes live in fall of 2021.

New File Formats (NFF)

Pension Solution's first go-live phase (Functional Rollout 2) includes the implementation of two new file formats. The new file formats are in the final stages of California's rulemaking process and are anticipated to take effect in early 2020. The file specifications for the new file formats can be found on the Employer Support Portal at EmployerSupport.calstrs.com.

The Employment File

- The Employment File is associated with new hires, terminations, deaths, demographic changes or other employment status changes.
- Replaces the existing MR87 maintenance and Address files.

The Contribution File

- The Contribution File is associated with monthly payroll contribution reporting.
- Replaces the existing F496, VDF and Accounts Receivable files.

The Match File

- The Match File is used to enter Client ID numbers into the new system and validate member contact information.

Employer Action Items:

- ✓ Review materials on the Employer Support Portal.
- ✓ Self-register for computer-based training.
- ✓ Schedule an Employer Readiness Visit.
- ✓ Begin testing your old and new file formats.

Recommended Tasks for Report Sources

- Review support materials on the Employer Support Portal at EmployerSupport.calstrs.com to access everything you need to participate in Soft Launch. This site includes system links, testing updates and tools, and technical resources to support you as you test your current files and new file formats in the Employer Readiness Environment.
- Self-register for computer-based training in the new Pension Administration Learning Management System. Human resources and payroll staff are encouraged to take the available training on how to use the new Secure Employer Website.
- Schedule an Employer Readiness Visit with CalSTRS' Employer Readiness Team to initiate the employer testing process. Readiness Visits provide a one-on-one opportunity to get set up in the Employer Readiness Environment and to ask questions related to testing in the new system. Contact the Employer Readiness Team at PSEmployerReadiness@CalSTRS.com.
- Coordinate with your Report Units and vendor during Soft Launch to help facilitate a smooth and timely transition to the new Secure Employer Website.
- Watch the Pension Solution Soft Launch Kick Off Webinar on CalSTRS' YouTube channel at youtu.be/Aos7AIBAz3o (27 minutes).

For additional information contact:

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