

## Pension Solution Project—What it means 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.**

To support increasingly complex business and customer needs for CalSTRS' growing membership of more than 1 million members and their beneficiaries, it's 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.

### 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.

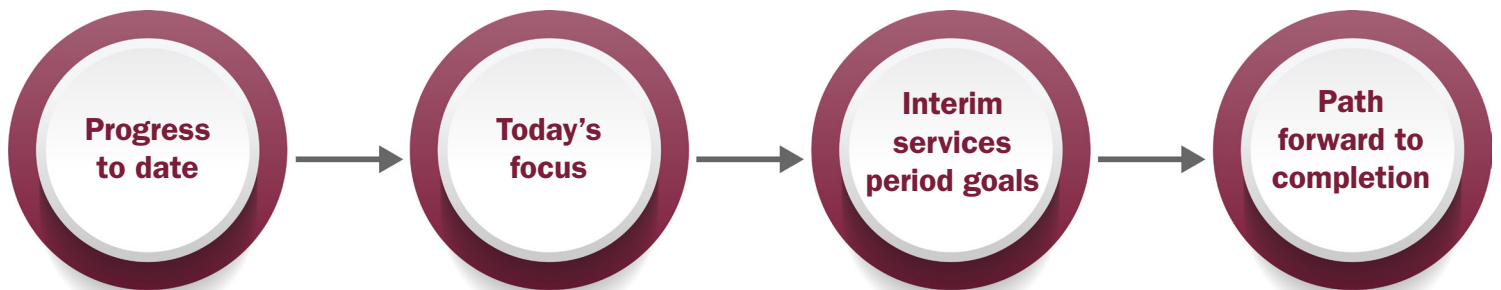
Pension Solution is a multiyear system modernization project. The new system will pay more than \$17.5 billion per year to approximately 325,000 benefit recipients each month, and these numbers will continue to grow.

CalSTRS will transition to the new pension administration system before the current system is no longer technologically sustainable. This transition will be phased in to manage and limit the effects to those whom CalSTRS serves.

The new pension administration system will address:

- **Functionality**  
Calculate and administer the plan's increasingly complex benefits.
- **Usability**  
Simplify communication and processes for members, beneficiaries, employers and staff.
- **Impact**  
Streamline information and processes, saving time and improving data accuracy.

## Path forward



- Completed software solution foundational architecture design.
- Rolled out employer readiness environment in soft launch.
- Built CalSTRS' staff expertise and refined internal processes.
- Piloted functionally aligned test methodology.
- Identified project improvements.
- Completed knowledge transfer from previous vendor.

- Adopt updates to methodology, best practices, processes and industry information technology standards.
- Complete third-party project health assessment.
- Release implementation procurements.
- Fix problem incident report findings and resolve critical data conversion with software solution vendor.

- Reinforce project structure and processes.
- Update project status.
- Restructure project staffing and governance.
- Hire and acquire project resources.
- Implement project improvements.

- Acquire project management services and procure new vendor(s).
- Execute implementation plan.
- Complete project.

## Employer Readiness Environment

The first phase of the transition to the 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 Secure Employer Website. This phase also provides testing opportunities to ensure employers' human resources and payroll systems are ready to report using the Secure Employer Website.

## New file formats

Pension Solution includes the implementation of two new file formats. The file specifications for the new file formats can be found on the Employer Support Portal at **EmployerSupport.CalSTRS.com**.

### Employment File

- Associated with new hires, terminations, deaths, demographic changes and other employment status changes.
- Replaces the existing MR87 maintenance and address files.

### Contribution File

- Associated with monthly payroll contribution reporting.
- Replaces the existing F496, VDF and accounts receivable files.

### Match File

- Used to enter Client ID numbers into the new system and validate member contact information.

## Employer action items:

- ✓ Review material 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 Secure Employer Website.
- Schedule an Employer Readiness Visit with the CalSTRS Employer Readiness team to initiate the employer testing process. These visits provide one on one opportunities 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 Secure Employer Website.
- Watch the Pension Solution Soft Launch Kick Off Webinar at **youtu.be\\Aos7AIBAz3o** (27 minutes).

For additional information contact:  
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