

# Defined Benefit Program Membership

The document provides information about membership in the Defined Benefit Program pursuant to Chapters 10 and 11 of Part 13 of the Teachers' Retirement Law. Reference to specific Education Code (EDC) sections are provided where applicable.

Questions? Contact [EmployerTraining@CalSTRS.com](mailto:EmployerTraining@CalSTRS.com) or send a secure message in the Secure Employer Website. Please include applicable supporting documentation for review.

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## What is membership?

Membership is enrollment into the secure lifetime retirement benefit offered through the Defined Benefit Program. A member will earn service credit and make contributions from eligible compensation along with their employer into the Defined Benefit Program. When a member is ready to retire, their lifetime retirement benefit formula is based on their age factor, service credit, and highest final compensation.

## What if an employee is already a member?

Once a member, all subsequent creditable service requires coverage unless either of the following occur:

- The employee elects coverage by the Cash Balance Benefit Program pursuant to EDC 26400. See the [Cash Balance Benefit Program Participation](#) job aid available at [employersupport.calstrs.com](http://employersupport.calstrs.com).
- The employee elects coverage by the California Public Employees' Retirement System (CalPERS) pursuant to Government Code 20309. This means the employee's compensation is subject to CalPERS law, not our laws. We cannot help you determine if a member is eligible to make an election, but we can help you determine if a position requires coverage by the Defined Benefit Program.

If an employee is not eligible for, or does not make, either election:

- Contribution File format users enroll the employee using **Transaction Sub-Type Mandatory Coverage (MDCV)** and report creditable compensation using **Benefit Program Member Code Defined Benefit Member (DB1)**, the **applicable Assignment Code for the position**, and **applicable Time Base for the position**.
- F496 File format users enroll the employee using **Transaction Code Mandatory (11)** and report creditable compensation using **Member Code Member (1)** and the **applicable Assignment Code for the position**.

### What if an employee is not already a member?

Employees can become CalSTRS members by either mandating membership or permissively electing membership while performing creditable service. For more information, see the [Creditable Service](#) job aid available at employersupport.calstrs.com. Employees who do not require membership can permissively elect membership at any time while employed to perform creditable service. These employees are also subject to participation in the Cash Balance Benefit Program if the employer offers the program. For more information, see the [Cash Balance Benefit Program Participation](#) job aid available at employersupport.calstrs.com. These positions are indicated with an asterisk (\*).

#### Community College Districts

Mandatory membership depends on whether the employee is employed as a temporary/adjunct employee pursuant to Education Code sections 87474, 87478, 87480, 87481, 87482, or 87482.5. We are unable to help you determine employment status.

Employment Status	Enrollment/Reporting Requirements
<b>Non-Temporary/Non-Adjunct Employee</b> <b>EDC 22502</b>	<p>Membership begins the first day of employment.</p> <p>Contribution File format users enroll the employee using <b>Transaction Sub-Type Mandatory Coverage (MDCV)</b> and report creditable compensation using <b>Benefit Program Member Code Defined Benefit Member (DB1)</b>, <b>Assignment Code Contract (57)</b>, and <b>Time Base CCD Non-Temporary/Non-Adjunct (CCDN)</b>.</p> <p>F496 File format users enroll the employee using <b>Transaction Code Mandatory (11)</b> and report creditable compensation using <b>Member Code Member (1)</b> and <b>Assignment Code Contract (57)</b>.</p>
<b>*Temporary/Adjunct Employee</b> <b>EDC 22601.5</b>	<p>Membership is not required.</p> <p>Contribution File format users enroll the employee using <b>Transaction Sub-Type Nonmember (NMBR)</b> and report creditable compensation using <b>Benefit Program Member Code Defined Benefit Nonmember (DB2)</b>, <b>Assignment Code Temporary/Adjunct (58)</b>, and <b>Time Base CCD Temporary/ Adjunct (CCDT)</b>.</p> <p>F496 File format users enroll the employee using <b>Transaction Code Nonmember (02)</b> and report creditable compensation using <b>Member Code Nonmember (2)</b> and <b>Assignment Code Part-time CCD (58)</b>.</p>

### All Other Employers

Mandatory membership for charter schools, school districts and county offices of education depends on the employee's basis of employment in a creditable service position and, in some cases, the amount of service performed in a specified time period.

### Employment Based Membership Criteria

Employment Status	Membership/Enrollment Requirements
<p><b>Full-Time Employee</b> <b>EDC 22501</b></p>	<p>Membership begins the first day of employment.</p> <p>Contribution File format users enroll the employee using <b>Transaction Sub-Type Mandatory Coverage (MDCV)</b>. This closes any open nonmember employment record and opens a member employment record in its place for all employers. Report creditable compensation using <b>Benefit Program Member Code Defined Benefit Member (DB1), Assignment Code Contract (57)</b>, and <b>Time Base Full Time (FLTM)</b>.</p> <p>F496 File format users enroll the employee using <b>Transaction Code Mandatory (11)</b> and report creditable compensation using <b>Member Code Member (1)</b> and <b>Assignment Code Contract (57)</b>.</p>
<p><b>Part-Time Employee for 50% or more of Full-Time</b> <b>EDC 22502</b></p>	<p>Membership begins the first day of employment.</p> <p>Contribution File format users enroll the employee using <b>Transaction Sub-Type Mandatory Coverage (MDCV)</b>. This closes any open nonmember employment records and opens a member employment record in its place for all employers. Report creditable compensation using <b>Benefit Program Member Code Defined Benefit Member (DB1), Assignment Code Contract (57)</b>, and <b>Time Base Part Time 50% or More (PTME)</b>.</p> <p>F496 File format users enroll the employee using <b>Transaction Code Mandatory (11)</b> and report creditable compensation using <b>Member Code Member (1)</b> and <b>Assignment Code Contract (57)</b>.</p>

Employment Status	Membership/Enrollment Requirements
<p><b>*Part-Time Employee for Less than 50% of Full-Time</b></p> <p><b>EDC 22601.5</b></p>	<p>Membership is not required.</p> <p>Contribution File format users enroll the employee using <b>Transaction Sub-Type Nonmember (NMBR)</b> and report creditable compensation using <b>Benefit Program Member Code Defined Benefit Nonmember (DB2)</b>, <b>Assignment Code Contract (57)</b>, and <b>Time Base Part Time Less than 50% (PTLS)</b>.</p> <p>F496 File format users enroll the employee using <b>Transaction Code Nonmember (02)</b> and report creditable compensation using <b>Member Code Member (2)</b> and <b>Assignment Code Contract (57)</b>.</p>

### Service Based Membership Criteria

Membership in the following employment statuses depends on the amount of service performed for that employer during the specified time period. These thresholds for membership do not apply to employees employed by a Cash Balance Benefit Program employer. To monitor these thresholds, you must report additional information when submitting contribution transactions.

Contribution File format users report the Full-Time Base Hours for Position and the Work Hours Per Day. The Full-time Base Hours for Position is the number of hours of creditable service required in a school term for full time. A school term is defined as a minimum period of 35 weeks that begins on the first day and ends on the last day creditable service is required to be performed by a member employed on a full-time basis (EDC 22168.5). The Work Hours Per Day is the number of hours required per day in a complete workday for full time. Our system can precisely calculate when a substitute employee meets the threshold. If this occurs, you will receive **Message ID 30301414**. Since pay periods vary by employer, we cannot precisely calculate when an hourly or daily employee meets the threshold. You will receive the **Message ID 30301403** when it appears the employee has met the threshold. You can suppress the warning if the employee did not meet the threshold.

F496 File format users report the daily or hourly Pay Rate and use Pay Code Hourly (4) or Pay Code Daily (8) to indicate which figure was reported. The system assumes a six-hour workday. You will receive **Message ID 30301137** when the employee appears to meet the threshold. You can suppress the warning if the employee did not meet the threshold.

Employment Status	Membership/Enrollment Requirements
<p><b>*Part-Time Hourly Employee</b> EDC 22504, 22604</p>	<p>Membership begins the first day of pay period following the pay period in which the employee performs 60 or more hours of creditable service in a pay period for the same employer.</p> <p>Contribution File format users enroll the employee using <b>Transaction Sub-Type Nonmember (NMBR)</b> and report creditable compensation using <b>Benefit Program Member Code Defined Benefit Nonmember (DB2)</b>, <b>Assignment Code Part-Time (non-contract) (55)</b>, and <b>Time Base Part Time Hourly (PTHR)</b>.</p> <p>F496 File format users enroll the employee using <b>Transaction Code Nonmember (02)</b> and report creditable compensation using <b>Member Code Member (1)</b> and <b>Assignment Code Part-time (55)</b>.</p>
<p><b>*Part-Time Daily Employee</b> EDC 22504, 22604</p>	<p>Membership begins the first day of pay period following the pay period in which the employee performs 10 or more days of creditable service in a pay period for the same employer.</p> <p>Contribution File format users enroll the employee using <b>Transaction Sub-Type Nonmember (NMBR)</b> and report creditable compensation using <b>Benefit Program Member Code Defined Benefit Nonmember (DB2)</b>, <b>Assignment Code Part-Time (non-contract) (55)</b>, and <b>Time Base Part Time Daily (PTDL)</b>.</p> <p>F496 File format users enroll the employee using <b>Transaction Code Nonmember (02)</b> and report creditable compensation using <b>Member Code Member (1)</b> and <b>Assignment Code Part-time (55)</b>.</p>

Employment Status	Membership/Enrollment Requirements
<p><b>*Substitute Employee</b> <b>EDC 22503, 22602</b></p>	<p>Membership begins the first day of the pay period following the pay period in which the employee performs 100 or more complete days of creditable service in a school year for the same employer. Employers determine what constitutes a complete day of creditable service.</p> <p>Contribution File format users enroll the employee using <b>Transaction Sub-Type Nonmember (NMBR)</b> and report creditable compensation using <b>Benefit Program Member Code Defined Benefit Nonmember (DB2), Assignment Code Substitute (54), and Time Base Substitute (SUBS)</b>.</p> <p>F496 File format users enroll the employee using <b>Transaction Code Nonmember (02)</b> and report creditable compensation using <b>Member Code Member (1)</b> and <b>Assignment Code Substitute (54)</b>.</p>

### Change in Basis of Employment or Meeting Membership Threshold

If an employee meets the threshold for mandatory membership or becomes employed in a position that requires membership at employment:

- Contribution File format users complete a new enrollment using **Transaction Sub-Type Mandatory Coverage (MDCV)** and report creditable compensation using **Benefit Program Member Code Defined Benefit Member (DB1)**, the **applicable Assignment Code for the position**, and the **applicable Time Base for the position**.
- F496 File format users enroll the employee using **Transaction Code Mandatory (11)** and report creditable compensation using **Member Code Member (1)** and the **applicable Assignment Code for the position**.

This closes any open nonmember employment record and opens a member employment record in its place for all employers.

### Permissive Election (EDC 22515, 22455.5)

Employees employed to perform creditable service in positions that do not require membership can elect membership at any time while employed to perform creditable service. The employee may elect a membership date that is no earlier than the first day of employment in an eligible position or the first day of the pay period in which the election is made (the form is signed). The election applies to all creditable service for any employer and is irrevocable. The election is made using the *Permissive Election* (ES 350) form.

You must give eligible employees the **ES 350 form and information about their right to the election within 30 days of hire**. The [CalSTRS Member Handbook](#) available at CalSTRS.com may assist the member in deciding.

If...	Then...
<p><b>Employee elects Defined Benefit Program coverage</b></p>	<p>Submit the ES 350 form to us and retain a copy. We must receive it within 60 days of the employee's signature date.</p> <p>Contribution File format users enroll the employee using <b>Transaction Sub-Type Permissive Election (PMCV)</b> and report creditable compensation using <b>Benefit Program Member Code (DB1)</b>, the <b>applicable Assignment Code for the position</b>, and the <b>applicable Time Base for the position</b>.</p> <p>F496 File format users enroll the employee using <b>Transaction Code Permissive (81)</b> and report creditable compensation using <b>Member Code Member (1)</b> and the <b>applicable Assignment Code for the position</b>.</p> <p>This will close any open nonmember employment records and establish a member employment record in its place for all employers.</p>
<p><b>Employee does NOT elect Defined Benefit Program coverage</b></p>	<p>Do not submit the ES 350 form to us but retain a record that you provided the employee the ES 350 form and information about their right to the election.</p> <p>Contribution File format and F496 file format users enroll the employee and report creditable compensation as applicable for the position.</p>

## Retirement System Elections – CalSTRS

### School Employers (EDC 22508, 22509)

A member who accepts a position for a CalSTRS employer that requires coverage by another California public retirement system can elect to have that service subject to coverage by the Defined Benefit Program in lieu of the other retirement system. This means that their compensation will be subject to our laws, not the laws of the other retirement system. We cannot help you determine if a position requires coverage by another retirement system.

### State of California (EDC 22508)

A member who accepts a position that requires coverage by another California public retirement system may be eligible to elect to have that service subject to coverage by the

Defined Benefit Program in lieu of the other retirement system. This means that their compensation will be subject to CalSTRS laws, not the laws of the other retirement system. We are unable to assist you in determining whether a position requires coverage by another retirement system.

To be eligible the member must be one of the following:

- Represented by a state bargaining unit that represents educational consultants, professional educators or librarians employed by the state.
- Excluded from the definition of “state employee” in Government Code section 3513 but performing supervising or managing work like work performed by employees represented by a state bargaining unit that represents educational consultants, professional educators or librarians.
- Employed in a position not covered by civil service and in the executive brand of government, but performing, supervising or managing work like work performed by employees represented by a state bargaining unit that represents educational consultants, professional educators or librarians.

### **Board of Governors of the California Community Colleges Employees (EDC 22508.5)**

A vested member who is employed by a community college district and who subsequently is employed by the Board of Governors of the California Community College to perform duties that are subject to membership in a different public retirement system may elect to have that service subject to coverage by the Defined Benefit Program in lieu of the other retirement system. This means that their compensation will be subject to CalSTRS laws, not the laws of the other retirement system. We are unable to assist you in determining whether a position requires coverage by another retirement system.

### **Election and Reporting (EDC 22509)**

The election must be made within the first 60 days of employment in the eligible position using the *Retirement System Election* (ES 372) form. **You must give eligible employees the ES 372 form and information about their right to the election within 10 days of hire.** The [Join CalSTRS? Join CalPERS?](#) publication available on CalSTRS.com may assist the member in deciding.

The election is effective as of the first day of employment, is irrevocable and applies to all creditable service performed for that employer in that position. Since this election is per position, you must evaluate an employee’s eligibility for the election every time they accept a new position and provide a new form, if applicable.



If...	Then...
<p><b>Employee elects CalSTRS coverage</b></p>	<p>Submit the ES 372 form and retain a copy. We must receive it within 60 days of the employee's signature date.</p> <p>Contribution File format users enroll the employee using <b>Transaction Sub-Type Retirement System Election (RMSE)</b> and report creditable compensation using <b>Benefit Program Member Code Defined Benefit Member (DB1)</b>, the <b>applicable Assignment Code for the position</b>, the <b>applicable Time Base for the position</b>, and <b>Service Type Other Retirement System Service (ORSS)</b>.</p> <p>F496 File format users enroll the employee using <b>Transaction Code Mandatory (11)</b> and report creditable compensation using <b>Member Code Member (1)</b> and the <b>applicable Assignment Code for the position</b>.</p>
<p><b>Employee does NOT elect CalSTRS coverage</b></p>	<p>Enrollment is not required with us; contact the other system for direction.</p>