

# Walnut Valley Unified School District

"KIDS FIRST - Every Student, Every Day"

Robert P. Taylor, Ed.D., Superintendent

880 S. Lemon Avenue • Walnut, California 91789 • Tel. (909) 595-1261

November 1, 2017

Dear Employee:

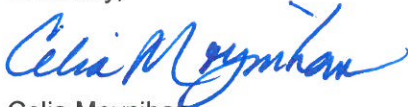
You may be receiving a refund/deduction of CalSTRS excess contributions taken on compensation earnable for the 2016/17 fiscal year on your November pay stub. The amount will appear on your pay stub as negative if it is a refund. The amount will appear on your pay stub as positive if it is a deduction.

On June 24, 2014 Governor Brown signed into law Assembly Bill 1469. This bill changed the member and employer contribution rates for the CalSTRS DB Program Chapter 47, Statutes of 2014 effective July 1, 2014. Member and employer contribution rates are set in Education Code section 22901, 22950 and 22951 for the DB Program. Effective, July 1, 2014, Chapter 47, Statutes of 2014 added Sections 22901.7 and 22950.5 to the Education Code. The member rate for the 2016/17 fiscal year increased to 10.25% for 2% @ 60 members. The member contributions rate for 2% @ 62 members was changed to 9.205%. The bill did not make changes to the DBS account rate. The rates for the DBS account remain at 8% for employee and 8.25% for employer.

Assembly Bill 2700 effective July 1, 2002 created the Defined Benefit Supplemental Account (DBS) for California State Teachers' Retirement System (CalSTRS) members. Compensation earnable reported to the Defined Benefit (DB) account that exceeds one year of service credit in any given fiscal year is identified by CalSTRS. The member and employer contributions on these earnings are considered excess contributions and moved to the DBS account at fiscal year-end by CalSTRS.

Because the DBS account rate was not changed by AB1469 only 8% of excess member contributions and 8.25% of employer contributions can be moved to this account. This creates a difference in member and employer contributions collected for the 2016/17 fiscal year that are considered excess. As a result of this difference, CalSTRS has issued a refund/collection of excess contributions to the Los Angeles County Office of Education (LACOE) for those members and employers affected by the movement of excess contributions from the DB account to the DBS account.

Sincerely,



Celia Moynihan  
Director, Fiscal Services