

Charter School Application for CalSTRS Activation

ES1026 (NEW 05/16)




California State Teachers' Retirement System
 P.O. Box 15275, MS 17
 Sacramento, CA 95851-0275
 800-228-5453
 CalSTRS.com

Instructions

Prior to submitting contributions to CalSTRS, charter school must complete and submit the *Charter School Application for CalSTRS Activation* (ES1026) packet. Please complete all the following sections and the required documents. Email completed *Charter School Application for CalSTRS Activation* (ES1026) packet to CharterSchoolQuestions@CalSTRS.com.

Section 1-A: Charter School Profile Summary

| | | | |
|---|--|---|--|
| ORGANIZATION NAME (CHARTER SCHOOL NAME) | | CHARTER SCHOOL NUMBER (SBE 4-digit no.): | |
| CORPORATION NAME (if applicable): | | <input type="checkbox"/> Non Profit <input type="checkbox"/> For Profit | |
| CHARTERING AUTHORITY: | | | |
| LOCAL SCHOOL DISTRICT: | | COUNTY: | |
| SCHOOL START DATE: | | CALSTRS COVERAGE EFFECTIVE DATE: | |
| PRE-TAX CONTRIBUTIONS EFFECTIVE DATE: (reference: EPMC form) | | CHARTER TERM FISCAL YEAR PERIOD: (reference: Charter Petition/MOU/Board Minutes) | |
| | | FROM: TO: | |
| CONTACT NAME and TITLE: | | | |
| CONTACT TELEPHONE: | | CONTACT E-MAIL ADDRESS: | |
| MAILING ADDRESS: | | | |
| CITY, STATE and ZIP CODE: | | | |
|  | | | |
| OFFICIAL SIGNATURE | | SIGNATURE DATE | |

Section 1-B: CalSTRS Contributions Report Structure

To be completed by the County Office of Education (COE) or the Authorizing District

Please select transmittal and data reporting structure of CalSTRS Contributions

| | |
|--|--------------------------------------|
| <input type="checkbox"/> COE Report Unit ID (combined with authorizing COE) | Organization Code (RU ID# XX-XXX) |
| <input type="checkbox"/> School District Report Unit ID (combined with authorizing School District) | |
| <input type="checkbox"/> Charter School District Report Unit ID (combined with charter schools of the same corporation located within the same county) | |
| <input type="checkbox"/> New Report Unit ID (Independent from Charter School District, COE and School District) | |



ES1026

Charter School Application for CalSTRS Activation



continued

Section 2: EPMC – Employer Paid Member Contributions Resolution

- **School Board** - Charter School's School Board or the authorizing School District's School Board.
- **County Superintendent of Schools** - County Office of Education (COE).
- **Charter School** - Charter School Name.

Whereas, the _____ School Board [_____
County Superintendent of Schools] has the authority to implement the provisions of Internal Revenue Code (IRC) section 414(h)(2); and

Whereas, the Teachers' Retirement Board of the California State Teachers' Retirement System (CalSTRS) adopted its resolution of IRC section 414(h)(2) on May 17, 1985; and

Whereas, the Internal Revenue Service has stated on August 27, 1985, that the implementation of the provisions of IRC section 414(h)(2) pursuant to the resolution of the Teachers' Retirement Board would satisfy the legal requirements of IRC section 414(h)(2); and

Whereas, the _____ School Board [_____
County Superintendent of Schools] has determined that even though the implementation of the provisions of IRC section 414(h)(2) is not required by law, the tax benefit offered by IRC section 414(h)(2) should be provided to its employees who are members of CalSTRS.

NOW, THEREFORE, BE IT RESOLVED:

- I. That the _____ School Board [_____
County Superintendent of Schools] will implement the provisions of IRC section 414(h)(2) by making employee contributions to CalSTRS on behalf of its employees who are members of CalSTRS. "Employee contributions" shall mean those contributions to CalSTRS which are deducted from the salary of employees and are credited to individual employees' accounts.
- II. That the contributions made by the _____ Charter School
[_____ County Superintendent of Schools] to CalSTRS, although designated as employee contributions, are being paid by the _____ Charter School [_____ County Superintendent of Schools] in lieu of contributions by the employees who are members of CalSTRS.
- III. That employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the _____ Charter School
[_____ County Superintendent of Schools] to CalSTRS.

Charter School Application for CalSTRS Activation



continued

Section 2: EPMC Resolution (continued)

- IV. That the _____ Charter School [_____ County Superintendent of Schools] shall pay to CalSTRS the contributions designated as employee contributions from the same source of funds as used in paying salary.
- V. That the Amount of the contributions designated as employee contributions and paid by the _____ Charter School [_____ County Superintendent of Schools] to CalSTRS on behalf of an employee shall be the entire contribution required of the employee by the Teachers' Retirement Law (California Education Code sections 22000 et seq.).
- VI. That the contributions designated as employee contributions made by _____ Charter School [_____ County Superintendent of Schools] to CalSTRS shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by CalSTRS.
- VII. That the _____ Charter School [_____ County Superintendent of Schools] shall make no contributions designated as employee contributions until CalSTRS has developed and implemented procedures for administering the provisions of IRC section 414(h)(2) and until CalSTRS has officially notified the _____ Charter School [_____ County Superintendent of Schools] that it will accept contributions pursuant to IRC section 414(h)(2).

EPMC RESOLUTION EFFECTIVE DATE:
(must be the same as CalSTRS coverage effective date)

DATE ADOPTED BY THE SCHOOL BOARD:

OFFICIAL'S NAME and TITLE:



OFFICIAL'S SIGNATURE

SIGNATURE DATE

Section 3: Charter Petition

Attach a copy of current and approved charter school petition with this packet.

CHARTER PETITION DATE:

REFERENCE PAGE #:

CHARTER TERM FISCAL YEAR PERIOD:

REFERENCE PAGE #:

RETIREMENT BENEFITS:

REFERENCE PAGE #:

- CalSTRS Social Security Other Retirement

Charter School Application for CalSTRS Activation



continued

Section 4: Support Documents (optional or upon request by CalSTRS)

Support documents are requested to confirm charter petition amendments on retirement benefits, charter term effective dates, EPMC resolution effective dates, or other significant dates and information requiring clarification from Charter School or Charter School Board.

Support documents must be complete with Officials' Signatures and Dates.

Please select support document(s) submitted with this packet.

- Board Approved Minutes
- Memorandum Of Understanding (MOU)
- Other (please specify) _____

Charter School CalSTRS Activation – Instructions

CalSTRS Offers Retirement Benefits to Charter Schools

Charter schools have the unique ability to decide whether to provide CalSTRS benefits and services to their employees.

CalSTRS offers the following benefits to members:

- Defined Benefit Program
- Defined Benefit Supplement Program
- Pension2@, a voluntary supplemental savings plan
- Cash Balance Benefit Program

Criteria for a Charter School to Elect CalSTRS

During the initial writing of a charter petition, the school can elect to participate in the State Teachers' Retirement Plan administered by CalSTRS to provide retirement benefits for their employees.

Charter schools must meet the following criteria to participate in CalSTRS retirement programs:

- Recognized as a public charter by the California Department of Education
- Elect participation in CalSTRS and enroll eligible employees
- Submit a completed Charter School CalSTRS Activation (ES1026) packet to CalSTRS confirming participation before reporting contributions
- Report contributions to CalSTRS via school district or county office of education

Laws in California Education Code for Charter Schools

- California Education Code section 47605: Provides a charter school the option of participating in CalSTRS, CalPERS or Social Security.
- California Education Code section 47611: Informs charter schools that participation in CalSTRS means that all parts of the Teachers' Retirement Law apply to them in the same manner as to other public schools.
- California Education Code section 47611.3: Requires school districts of County Offices of Education to report contributions and data to CalSTRS on behalf of charter schools.

Required Documents from Charter Schools Electing CalSTRS

Prior to accepting contributions, CalSTRS requires a completed Charter School CalSTRS Activation (ES1026) packet consisting of the following documents:

- Section 1-A: Completed Charter School Profile Summary
- Section 1-B: Reporting Structure of CalSTRS Data and Contributions
- Section 2: Completed Pre-Tax Resolution Form - Employer Paid Member Contributions (EPMC)
- Section 3. Copy of Approved Charter School Petition
- Section 4. Other Support Documents: Approved Board Minutes or MOU

Email completed Charter School CalSTRS Activation (ES1026) packet to CharterSchoolQuestions@CalSTRS.com.