

HUMAN RESOURCES MEMORANDUM 14-031		DATE ISSUED: 11/7/2014
SUBJECT: Bargaining Units 12 and 16 Other Post-Employment Benefits (OPEB) Prefunding – Participation and Payroll Deductions		REFERENCE: PML 2014-042
TO: Managers, Supervisors, Personnel Liaisons and Attendance Clerks		SUPERCEDES: None

PLEASE ENSURE THAT THIS INFORMATION IS SHARED WITH YOUR EMPLOYEES

Purpose

The purpose of this memorandum is to inform Bargaining Unit (BU) 12 and 16 staff of refinements to Other Post-Employment Benefits (OPEB) Prefunding.

Effective

Effective July 1, 2013, Bargaining Unit 12 (BU12)—Craft & Maintenance Employees and Bargaining Unit 16 (BU16)—Physicians, Dentists, and Podiatrists began contributing 0.5 percent of base salary toward OPEB prefunding. Refer to HR Memo 2013-015.

OPEB Prefunding Participation and Payroll Deductions

The following provides information regarding refinements around employee participation and payroll deductions, which were implemented with the March 2014 pay period:

- Only CalPERS members in rank and file BU12 and BU16 are subject to mandatory OPEB contributions, including Alternative Retirement Program members. Employees who are not CalPERS members, including Part-time, Seasonal, and Temporary (PST) retirement program members, do not participate in OPEB prefunding.
- The deduction on employee pay warrants should read “CERBT,” which stands for the “California Employers’ Retiree Benefit Trust.”
- OPEB deductions are taken from base pay and are not reduced due to fluctuations in gross salary, such as FMLA leave.
- For employees with a single hourly appointment, the deduction is withheld up to the amount that would have been deducted had the employee held a full-time appointment.

Multiple/Additional Appointments

- For employees with a full-time appointment and an additional appointment (e.g., hourly), the deduction is withheld from the full-time appointment only.
- For employees with multiple part-time or hourly appointments, the deductions are withheld from all of the appointments, up to the amount that would have been deducted had the employee held a full-time appointment.
- If an employee has multiple hourly appointments, the highest salary rate is used to compute what the deduction would be if the employee held a full-time appointment at that salary rate. This amount serves as the cut-off. For employees with a part-time and hourly appointment, the deduction amount is calculated based upon the part-time appointment salary rate.
- For employees that hold a BU12 or BU16 appointment and an additional appointment in a bargaining unit not subject to OPEB prefunding, the deduction will only be withheld on the BU12 or BU16 appointment.

Refunds

BU12 and BU16 employees who contributed to OPEB in July 2013 to January 2014 and no longer participate under the above criteria will be issued a refund of their contributions.

Questions

If employees have questions regarding their union agreement, they should contact their union representative directly.

Payroll questions may be directed to your assigned Personnel Specialist.

ANGIE BOLDRINI, Personnel Officer
Office of Human Resources

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