



California Public Employees' Retirement System  
P.O. Box 942715 | Sacramento, CA 94229-2715  
888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442  
[www.calpers.ca.gov](http://www.calpers.ca.gov)

---

## Contracts

# Circular Letter

August 25, 2022

Circular Letter: 200-052-22

Distribution: VI, XII, XVI

**To: All Contracting Public Agencies and School Employers**  
**Subject: Resolution for Employer Paid Member Contributions**

### Purpose

The purpose of this Circular Letter is to increase awareness and inform you of the necessity to provide California Public Employees' Retirement System (CalPERS) with the timely submission of the Value of Employer-Paid Member Contribution (EPMC) resolutions. This information is to ensure accurate reporting of special compensation for classic members in accordance with the Public Employees' Retirement Law (PERL) and Title 2 of the California Code of Regulations (CCR).

### Impacts on Member Contributions and Benefits

Pursuant to Government Code sections 20636 and 20636.1, compensation earnable is defined as the pay rate and special compensation of the member, as further clarified by those statutes and implementing regulations. One type of special compensation for classic members is reporting EPMC.<sup>1</sup> EPMC must comply with the PERL and the implementing regulations. A condition of EPMC is that the resolution adopted by your governing body must be provided to CalPERS for approval and identify the group or class of members, effective date, and the percent or amount of EPMC being paid and reported as special compensation.

The enactment of a new EPMC resolution(s) or changes to existing EPMC resolutions are sometimes made during labor negotiations and a member's compensation earnable is

---

<sup>1</sup> California Code of Regulations, title 2, section 571.

impacted. When EPMC resolution changes are made, it is critical that you immediately provide the resolution to CalPERS for review and approval. Furthermore, EPMC resolutions that are needed to align with labor agreements may require payroll corrections that involve retroactive changes to members' contributions.

For example, retroactive adjustment to payroll reporting can impact members' compensation reporting, pension calculation, and adjustments to pension benefit amounts depending on the EPMC resolution effective date and the timing in which it is submitted to CalPERS. This can include reductions to pension benefit amounts for members who retired before the updated EPMC resolution has been received.

EPMC is only available to classic members,<sup>2</sup> and all contracting agencies and school employers that offer it must submit timely adopted EPMC resolutions to prevent negative impacts to member benefits.

Contact CalPERS at the onset of any anticipated EPMC changes your agency may be considering.

## **Questions**

If you have questions, [email us](#) or call (916) 795-1024.

Melody Benavides, Chief  
Pension Contracts & Prefunding Programs Division

---

<sup>2</sup> Circular Letter 200-055-12, "Implementation of Public Employees' Pension Reform Act of 2013"