

MEMORANDUM

TO: PERSONNEL MANAGEMENT LIAISONS DATE: January 24, 2002
REFERENCE CODE: 2002-005

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Employee Relations Officers
Personnel Officers
Personnel Transactions Supervisors

FROM: Department of Personnel Administration
Classification and Compensation Division

SUBJECT: Involuntary Leave Upon Filing for Disability Retirement

CONTACT: Clarice Pace, Personnel Program Technician
(916) 324-9381
FAX: (916) 327-1886
Email: ClaricePace@dpa.ca.gov

The purpose of this memorandum is to provide departments with program information and guidelines when applying for disability retirement on behalf of an employee, and if appropriate, placing the employee on Involuntary Leave (IL). Senate Bill 1073 amended Government Code (GC) Section 19253.5 effective January 01, 2000 providing the appointing authority the ability to place an employee on IL upon filing an application for disability retirement. The amendment provides for a temporary disability allowance (TDA) for employees who exhaust their leave credits and programs while on IL. The employee's health benefits are also continued. The intent of this legislation is to reduce the financial hardship to an employee who is awaiting a disability retirement decision from the California Public Employees' Retirement System (CalPERS). An employee who is placed on IL shall be subject to the following provisions:

"19253.5(i)(1) If the appointing power, after considering the conclusions of the medical examination provided for by this section or medical reports from the employee's physician and other pertinent information, concludes that the employee is unable to perform the work of his or her present position or any other position in the agency and the employee is eligible

and does not waive the right to retire for disability, the appointing power shall file an application for disability retirement on the employee's behalf. The appointing power shall give the employee 15 days written notice of its intention to file such an application and a reasonable opportunity to respond to the appointing power prior to the appointing power's filing of the application. However, the appointing power's decision to file the application is final and is not appealable to the State Personnel Board.

"(2) Notwithstanding Section 21153, upon filing the application for disability retirement, the appointing power may remove the employee from the job and place the employee on involuntary leave status. The employee may use any accrued leave eligible during the period of the involuntary leave. If the employee's leave credits and programs are exhausted or if they do not provide benefits at least equal to the estimated retirement allowance, the appointing power shall pay the employee an additional temporary disability allowance so that the employee receives payment equal to the retirement allowance. The appointing power shall continue to make all employer contributions to the employee's health plans during the period of the involuntary leave.

"(3) If the application for disability retirement is subsequently granted, the retirement system shall reimburse the appointing power for the temporary disability allowance, which shall be deducted from any back disability retirement benefits otherwise payable to the employee. If the application is denied, the appointing power shall reinstate the employee to his or her position with back salary and benefits pursuant to subdivision (g), less any temporary disability allowance paid by the appointing power. The appointing power shall also restore any leave credits the employee used during the period of the involuntary leave."

This legislation requires coordination between several departments: State Personnel Board (SPB), Department of Personnel Administration (DPA), State Controller's Office (SCO), and CalPERS.

SPB is responsible for hearing appeals regarding IL. The employee may not appeal to SPB the appointing power's decision to file the application. However, if an employee who is placed on an IL contends that his or her appointing power has not complied with the provisions of GC 19253.5, the employee may file an appeal to SPB.

DPA provides policy provisions relating to the employee's leave credits and programs, i.e., industrial disability leave programs,

nonindustrial disability leave programs, and health plans during the period of IL.

SCO is responsible for maintaining the employee's employment history and processing the employee's payroll documents. An SCO Payroll Letter will be issued providing instructions for documenting and issuing payments to employees who are placed on IL.

CalPERS processes the TDA estimate and the retirement application, and provides information on the retirement benefit options available to the employee, pursuant to GC 21419.5. CalPERS is also responsible for deducting the amount of interim disability allowance made to a State member as provided by subdivision (i) of Section 19253.5.

In order to assist departmental personnel in implementing IL and disseminating information to eligible employees, this memorandum also includes the following attachments:

1. Administrative Guidelines (Attachment I).
2. A sample Notice Letter required by GC 19253.5(i) (Attachment II).
3. CalPERS Disability Retirement Estimate Request form (Attachment III).
4. Explanation of the optional retirement benefit allowance from CalPERS (Attachment IV).

Please direct your questions regarding IL as follows:

SPB
Appeals Division
(916) 653-0544

DPA Leaves/Programs
(Non-Work Related)
Personnel Services Branch
(916) 324-0439

DPA Benefits
(Work Related)
Worker's Compensation Division
(916) 324-3247

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SCO PAR History/Payroll
Refer to Payroll Letter

CalPERS TDA Estimates
Member Services Division
(800) 352-2238

CalPERS Disability Retirement Application
Benefits Services
(800) 352-2238

A handwritten signature in cursive script, reading "Michael T. Navarro". The signature is written in black ink and is positioned above the typed name and title.

Michael T. Navarro, Chief
Classification and Compensation Division

Attachments

**ADMINISTRATIVE GUIDELINES FOR PROCESSING AN EMPLOYEE
WHO HAS BEEN PLACED ON INVOLUNTARY LEAVE**

Notice Requirement - When a medical examination, medical report, or any other pertinent information indicates that an employee is unable to perform the essential functions of his/her current position or any other position, the appointing power shall apply for disability retirement on behalf of the employee. Departments may also apply for disability retirement on behalf of the employee when he/she is already on a leave of absence. The employee must be eligible and does not waive the right to retire for disability retirement.

Per State Personnel Board Rule 52.3, a department is required to provide a 15 days' advance written notice to the employee of its intention to apply for disability retirement on his or her behalf. All documentation pertaining to the appointing authority's decision to apply for disability retirement on the employee's behalf must be provided to the employee. If the employee requests, he or she shall be provided a Skelly meeting prior to the effective date identified by the employer for disability retirement. An additional five days should be added to the employee's 15 days' notice to provide time for mailing or process service. The employee must be given a reasonable opportunity to respond to the appointing power prior to the appointing power filing the employee's application for disability retirement and placing the employee on Involuntary Leave (IL).

A Notice Letter (Attachment II) is required by the employer to notify the employee that the department is going to apply for disability retirement on the employee's behalf. In the Notice Letter the appointing power may also inform the employee that he or she will be placed on IL at the end of the notice period. The Notice Letter should provide the employee with information regarding a request for a Skelly meeting, available benefits, leave credits, his or her eligible program, and if applicable, a temporary disability allowance (TDA).

The employee's options include:

- Requesting a Skelly meeting.
- Using available leave credits.
- Continuing on his or her eligible leave program.
- Obtaining information regarding CalPERS retirement beneficiary options or other CalPERS options.
- Continuing on his or her voluntary deductions while receiving TDA payments.

The employee shall be given a reasonable opportunity to respond and make an election to receive payment for available leave or participate in his or her current eligible program. Programs include industrial disability benefits and non-industrial disability benefits.

The Notice Letter should request the employee to make an election and respond by a specified date. If the employee does not respond, an effort should be made to contact the employee to determine the employee's preferences, as to retirement.

Leave Credits, Programs, and Temporary Disability Allowance - In order for the employee to receive an estimated TDA he or she must elect to use available leave and/or participate in his or her current program; i.e., Sick Leave, Vacation, Annual Leave, Industrial Disability Leave with Supplementation, and Non-Industrial Disability Leave. If the employee's leave credits and programs are less than the estimated TDA the employee shall receive a supplemental TDA payment equal to the employee's estimated TDA. If the employee has available leave credits or if the employee is on a program and elects not to use his or her leave credits or continue on the existing program the employee is placed on IL status; however, the employee is ineligible to receive TDA payments. Employees who have exhausted their available leave credits and/or program is eligible to receive the estimated TDA.

Health, Dental, and Vision Benefits - The appointing power shall continue to make all employer contributions to the employee's health, dental, and vision plans. The employer's contributions for health, dental, and vision will continue to be paid when the employee receives payment for leave credits, when the employee is on an eligible program, or when the employee is receiving TDA payments.

If no other payments are being made to the employee, departments are required to continue the employee's health, dental, and vision benefits. To request continuance of the employee's health plans the appointing power is required to submit a Standard Form 674 to SCO.

Retirement Estimate and Retirement Application - The CalPERS Member Services Division provides an estimate of the employee's retirement benefits in order for departments to provide TDA to the employee. The CalPERS Disability Unit processes the employee's disability retirement or industrial disability retirement application, and the employee's benefit options.

The appointing power is responsible for contacting the CalPERS Member Services Division for the disability retirement estimate (Attachment III). Once an estimated amount is determined, the appointing power submits the disability retirement application to CalPERS Disability Unit.

When submitting the estimate request form, the employer should do the following:

1. Indicate on the top of the estimate request in RED: "Employer Originated Application."
2. Enter a retirement date. The employer can use the first of the month the application is going to be sent to CalPERS.
3. Specify where the estimate is to be sent (employer's address); otherwise, it may be sent to the employee.

The departmental personnel office is responsible for providing CalPERS with the employee's retirement date, beneficiary, birth date, and survivor continuance information.

The employer must notify CalPERS of the estimated amount of TDA payment(s) they will be making, when the payments will commence, and the frequency of payments (i.e., monthly, semi-monthly, bi-weekly) so CalPERS will know how the employee is being paid. This

information should also be sent to the employee at the same time. In addition, the employer should provide CalPERS with a departmental contact person's name and telephone number. This contact person will typically be the Return to Work Coordinator.

When the employer sends the disability retirement application, the following information is needed for processing:

1. Date when employer will begin TDA payments.
2. The amount of the TDA Payment.
3. How often the employer will pay TDA (i.e., monthly, semi-monthly, bi-weekly).
4. An address where the employer wants the reimbursement sent (if disability retirement is approved).

Leave Credits - If the employee elects to use available leave credits, it shall be considered regular pay (no employment history update is needed). For example, if the employee receives regular pay and has a qualifying pay period for the month, the employee shall receive full State service credit for seniority purposes, leave credit accruals, and any salary changes in effect. Payments of the employee's leave credits are subject to mandatory and voluntary deductions. Mandatory deductions from leave credits include State and federal income taxes, Social Security/Medicare contributions, and retirement contributions. Voluntary deductions will continue to be deducted from the employee's regular pay unless cancelled by the employee and there is enough net pay to take the deduction.

Programs - Employees receiving payments for an available program, like IDL/S or NDI, shall be subject to the provisions of the program and receive all the benefits the program provides.

TDA Payments - TDA payments are subject to mandatory deductions. Mandatory deductions from TDA include State and federal income taxes and Social Security/Medicare contributions. Retirement contributions shall not be deducted from the employee's earnings nor will the employer share be made, as service credits are not accruing toward retirement when the employee is receiving TDA payments. The employee's union dues/fair share fees shall continue to be deducted from the TDA payments.

TDA is an interim allowance paid to the employee while a decision for disability retirement or industrial disability retirement is being made. Employees who are disabled/industrial retired typically do not have voluntary deductions taken from their retirement benefits unless approved by CalPERS. Therefore, the employee should be given the opportunity to cancel any voluntary deductions.

An employee may be eligible to receive TDA in addition to being paid for leave credits and/or a current eligible program (this will apply when the employee's leave credits and programs are less than the estimated TDA). In this case, the employee will only receive applicable credit for leave credits and/or the program. For example, if the employee's leave credits provide a qualifying pay period for the month, the employee shall receive full State service credit for seniority purposes, leave credit accruals, and any salary changes in effect.

An employee who is receiving TDA payments without payment of leave credits and/or programs is considered to be on a temporary separation.

Employment History/Payroll Processing - Departmental personnel offices have the responsibility for documenting the employee's employment history and requesting the employee's pay and benefit coverage from the State Controller's Office (SCO).

In order to request TDA payments, the employee is placed on temporary leave. To place an employee on temporary leave, the department is to process a S57 transaction with Item 957, Code 19. This process is used when the employee has exhausted his or her leave credits and/or program, or if the employee elects not to use leave credits or to participate in a program (forfeiting his or her TDA). The S57 transaction temporarily removes the employee from the payroll. TDA payments are to be requested by submitting a Standard Form 674.

IL should not be documented nor shall TDA be paid if the employee is retiring on a service retirement pending disability retirement.

Refer to SCO Payroll Letter for further instructions on how to process IL and TDA payments.

Disability Retirement Approved - When the employer receives notification from CalPERS of the employee's disability retirement approval, the employer is required to report the amount of TDA paid to the employee/member to CalPERS (if applicable).

In order to report the total amount of TDA to be reimbursed to the employer by CalPERS, the departmental personnel office must request and receive accounts receivables (A/R[s]) through the SCO. Note: The employee/member is not eligible for vision while retired unless approved by CALPERS. Therefore, neither the employee nor CALPERS will be required to reimburse the department for the vision deduction amount. The employer then contacts CalPERS Roll Processing Unit either by FAX at (916) 658-1280 or by telephone at 1-800-352-2238 to inform them of the total amount due for the TDA payments. The employer must provide an address for mailing the reimbursement check(s).

If the member has received TDA, CalPERS pays the retroactive disability retirement benefits to the employer to reimburse the department for the A/R(s) established for TDA payments. If a balance remains, CalPERS will take a monthly deduction equaling 10 percent of the member's gross allowance to pay off the balance. CalPERS must be notified if the employee and the agency come to a different arrangement for reimbursement.

The employer reimbursement is completed through a monthly payment process. The employer will receive a check from CalPERS and a "carrier register" (list) that details the employee's Social Security number, name, and payment amount for each employee represented on the check. Departments will not receive reimbursement for the employee's vision plan. The employee/member is not eligible for vision while retired unless approved by CalPERS. When the A/R(s) are satisfied or at the close of the tax year, the departmental personnel office is required to report the amount received to the SCO in order to update the employee's W-2 file.

To place the employee on the retirement roll, the department is to process an S57V (if an S57 was processed) to void the employee's temporary separation and a subsequent S71 transaction to document the employee's disability retirement.

The employee's effective date for disability retirement shall be based on the date of the employer's application for disability retirement on behalf of the employee and any leave credits

used. For example, if the employee used leave credits while awaiting the disability retirement decision, the effective date will be after the employee's leave credits are exhausted.

CalPERS Retirement Payments - CalPERS places the employee on the next available retirement roll.

- Retroactive payments to employees are made on a bi-weekly basis.
- CalPERS will tax the reimbursement paid to the member. The reimbursement is a deduction from the member's allowance.
- CalPERS will retroactively apply all health, dental, and other applicable deductions (except vision) as a retiree.
- If the retirement effective date is after the 10th of the month, deductions will begin the first of the following month.
- A deduction is set up to reimburse the employer on the next monthly payment schedule. (The deduction is taken from the member's retroactive bi-weekly check. However, all direct carrier payments are made on a monthly basis.)

Disability Retirement Denied - If the application for disability retirement is denied, the appointing power shall reinstate the employee to his or her former position with back salary and benefits pursuant to GC 19253.5(g) minus any TDA the employee may have been paid. An S57V shall be processed to void the IL and return the employee to pay status. The employee is paid the difference between TDA and his/her salary and restored any leave credits used while on IL. If the employee's voluntary deductions were cancelled while receiving TDA, the voluntary deductions must be reestablished.

When the employee's disability retirement is denied, the retirement system is not responsible for reimbursing the amount of TDA paid to the employee by the State agency.



**Notice Letter Required by Government Code 19253.5(i)(1)
(If the appointing power wishes to place the employee on Involuntary Leave)**

(DATE)

(EMPLOYEE'S NAME)
(ADDRESS)
(CITY, STATE, ZIP CODE)

Dear (NAME):

Re: NOTICE OF APPLICATION FOR DISABILITY RETIREMENT

We are hereby notifying you that pursuant to Government Code (GC) 19253.5 (i)(1) on (DATE [15 days from the notice]) we will be applying to California Public Employees' Retirement System (CalPERS) for disability retirement on your behalf. It has been determined that you are unable to perform the duties of your current position or any other position within the [DEPARTMENT]. This decision is based on the [DATE] medical report by [DOCTOR'S NAME], which indicates that you are unable to perform the duties of your current position or any other position within the department. Pursuant to State Personnel Board (SPB) Rule 52.3, a copy of all materials and documents upon which this action is based accompany this notice.

As provided in GC 19253.5(i)(1), you have the right to respond to [DEPARTMENT] prior to the filing of your application for disability retirement. Pursuant to SPB Rule 52.3, if you disagree with this decision, you may request an informal hearing prior to [THE IDENTIFIED EFFECTIVE DATE]. To request an informal hearing, contact [DEPARTMENT SKELLY OFFICER/ COORDINATOR, ADDRESS AND PHONE NUMBER] **WITHIN FIVE DAYS AFTER THE DATE OF MAILING OF THIS NOTICE. (The date of mailing is shown on the attached proof of service.)** At the hearing you will have an opportunity to explain why you disagree with the intended action.

You will be placed on involuntary leave (IL) while awaiting a decision from CalPERS with respect to your disability retirement. You are eligible to receive a Temporary Disability Allowance (TDA) provided that your leave credits and/or the current program you are on have been exhausted or if they do not provide benefits at least equal to your estimated TDA. If you elect not to use available leave credits or participate in the your current disability program, you will not be entitled to receive a TDA. The appointing power's contributions to your health, dental, and vision plans shall continue during the period of the IL.

If you elect payment for your available leave credits, it shall be considered regular pay. If applicable, State and federal income taxes, Social Security/Medicare contributions, and retirement contributions shall be deducted. Your voluntary deductions will continue unless you make an election to cancel the deduction(s) and provided that there is enough net pay to take the deduction. If your leave credits afford you a qualifying pay period, you shall receive State service credit for seniority purposes, leave credit accruals, and any salary changes in effect.

Payment for any available program, i.e., [NON-INDUSTRIAL DISABILITY LEAVE OR INDUSTRIAL DISABILITY LEAVE] shall be subject to the provisions of the program and you shall be eligible to receive all the benefits the program provides.

If you are only eligible to receive payment for TDA without payment of leave credits and/or a program, you are considered to be on a temporary separation. Your TDA payments are subject to mandatory deductions. Mandatory deductions include State and federal income taxes, and Social Security/Medicare contributions. Retirement contributions will not be deducted nor will the employer's contribution be made while receiving payment of your TDA. Your union dues/fair share fees will be deducted from your TDA payment.

TDA is an interim allowance paid while a decision for disability retirement or industrial disability retirement is being made. Voluntary deductions will continue providing that there is enough net to take the deduction. Retired employees, typically, do not have voluntary deductions taken from their retirement benefits unless approved by CalPERS. It is recommended that you provide the [DEPARTMENT] with a decision on whether you elect to continue your voluntary deductions while waiting for your CalPERS disability retirement decision.

If your application for disability retirement is subsequently granted, the retirement system will reimburse the appointing power for the TDA payments you received. The payments will be deducted from the retroactive portion of your disability retirement allowance which would otherwise be payable to you.

If your application for disability retirement is denied, you will be reinstated to your position pursuant to GC 19253.5(g) and paid the difference between the TDA payments you received and any salary you may have received during the period you were on IL. Any voluntary deductions that were cancelled will need to be reestablished. Any leave credits used during the period of your IL shall be restored to your leave credit account. You will receive service credit for retirement, qualifying pay periods, full State service credits for seniority purposes, leave credit accruals, and any salary changes in effect during the period you were placed on IL. The State employer may be eligible for certain salary offsets under the law, as well.

Disability retirement is considered a temporary separation. CalPERS may determine at a later date that you are able to return to work. For more details or information regarding disability retirement, you may contact CalPERS directly at (800) 352-2238.

Attached is a selection form. This form provides your accrued leave credits and information regarding available [PROGRAM]. Please review and select the option of your choice. Upon making your selection, please return the option form to [DEPARTMENT AND ADDRESS] by [DATE]. If you elect not to use your available leave credits, and/or to participate in the available program or if you do not respond with an election you will be placed on involuntary leave without TDA payments. However your health, dental, and vision coverage will be continued.

During your period of involuntary leave, we will provide assistance and answer any questions you may have regarding your disability retirement status. We recognize that we are providing a great deal of information and that you will be making important decisions. If you require additional assistance/information, or if you need clarification of your options, you may call me at [AREA CODE - NUMBER].

Sincerely,

(NAME)

Attachment



OPTIONS DISCUSSION CHECKLIST

NAME: _____

THE FOLLOWING IS A LIST OF YOUR AVAILABLE LEAVE CREDITS AND OTHER OPTIONS. PLEASE MAKE YOUR ELECTION AND RETURN YOUR SELECTION TO [Department and address] BY [Date]. IF YOU WISH TO DISCUSS YOUR OPTIONS OR IF ADDITIONAL INFORMATION IS NEEDED YOU MAY CONTACT [Contact Name] FOR ASSISTANCE.

Unpaid Medical Leave of Absence

Use Existing Leave Balance

Existing Leave Credits Include:

Sick Leave _____ Vacation _____ Annual Leave _____

Holiday/PA _____ CTO/EXCESS _____ Other (Specify) _____

Non-Industrial Disability Leave (NDI)

Temporary Disability/Industrial Disability Leave (IDL)/Vocational Rehabilitation

Service Retirement

Voluntary Resignation

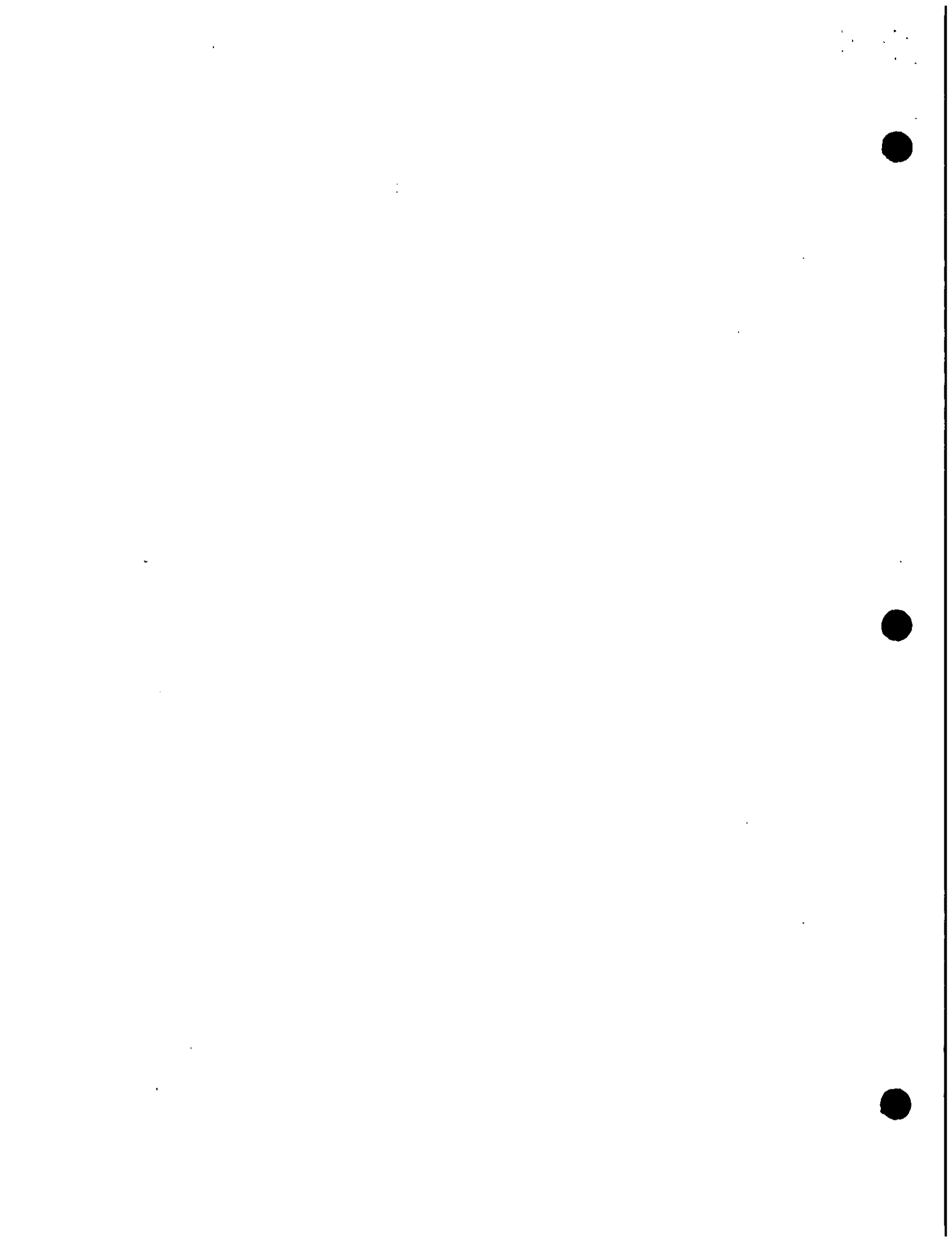
THE FOLLOWING DATES WILL BE CONVENIENT FOR A MEETING. PLEASE CHECK ANY DATES YOU WILL BE AVAILABLE.

(DATE)

(DATE)

PLEASE SIGN AND RETURN IN THE ENCLOSED PREAMDRESSED STAMPED ENVELOPE BY [Date].

EMPLOYEE SIGNATURE: _____ DATE: _____





CalPERS
Sacramento Regional Office
 2750 Gateway Oaks Drive, Room 140
 P.O. Box 942717
 Sacramento, CA 94229-2717
 (800) 352-2238
 TDD - (916) 326-3240; FAX (916) 231-7878

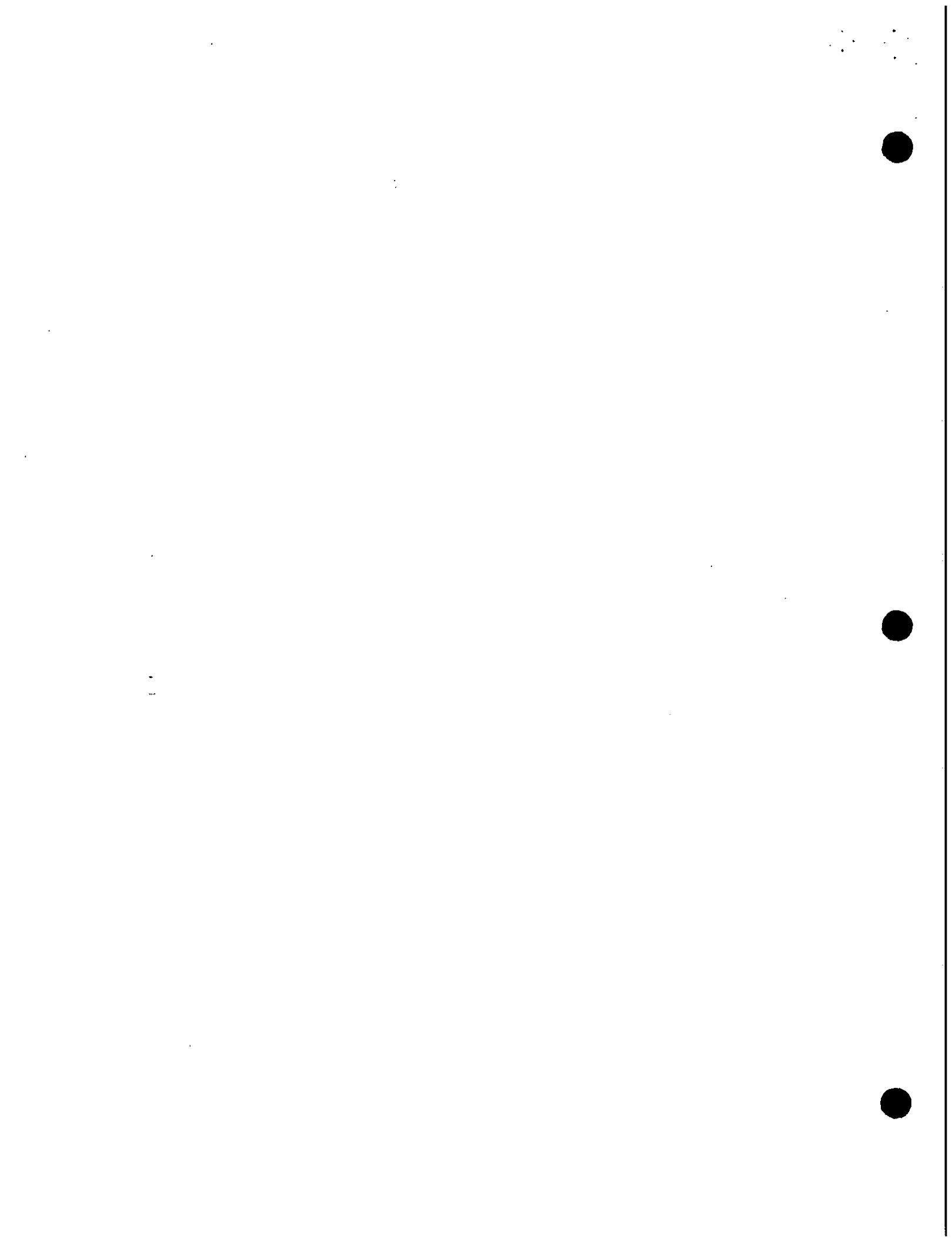
DISABILITY ESTIMATE REQUEST

(THIS FORM IS TO BE USED BY THE EMPLOYER ONLY WHEN THE EMPLOYER WILL BE GENERATING A DISABILITY APPLICATION ON BEHALF OF THE MEMBER)

THIS FORM IS NOT AN APPLICATION FOR RETIREMENT.

Please complete this form and fax or mail to the above address. The disability retirement estimate will be faxed or mailed to the address you indicate on this form. This estimate cannot be processed unless all information on this form is complete.

1. Employee Name (First) (MI) (Last)	2. Social Security Number
3. Contact Person (First) (Last)	4. Member Birth Date Month / Day / Year / /
5. Employer Mailing Address	6. Telephone Number(s) Work () Fax ()
City State Zip Code	7. Would you like the estimate mailed or faxed to you? ___ Mailed ___ Faxed
8. Employer	
9. Last Day On Paid Status Month / Day / Year	10. Type of Estimate ___ Disability Retirement ___ Industrial Disability Retirement
11. Beneficiary Birth Date (If Known) Month / Day / Year	
Relationship to member: _____	
Is the member currently married? ___ Yes ___ No	
Does the member have any unmarried children who are under age 18 or disabled? ___ Yes ___ No	





Member Services Division
 P.O. Box 942717
 Sacramento, CA 94229-2717
 (800) 352-2238 Fax (916) 231-7878
 Telecommunications Device For
 The Deaf - (916) 326-3240

MEMBER INFORMATION
 Date: 05/14/2001
 Social Security Number:
 Your Date of Birth: 01/13/1959
 Beneficiary Date of Birth: 10/07/1950

Dear

This is an estimate of your Disability Retirement. An estimate is a calculation of potential future benefits based on the following assumptions:

- Current pay rates reported by the employer
- Current retirement law
- Information provided by you

The following information was used to calculate your retirement estimate for 06/01/2001 :

Employer Name	Years of Service	Formula/ Benefit Factor	% of Final Compensation	Final Compensation
California Public Employees Retirement	22.824	2% @ 55/ 1.800	41.083	\$ 5,400.50

Final Compensation is your highest average monthly pay rate for the last consecutive 12 or 36 months of employment based on your employers' contract. The final compensation dollar amount shown is unmodified. If a member contributes to Social Security they will need to subtract \$133.33 from their final compensation to obtain the dollar amount that was used to calculate the estimate. Any change in the information will result in a different benefit calculation.

PLEASE SEE IMPORTANT INFORMATION ON NEXT PAGE

Options available if you retire on 06/01/2001 with 22.824 Years of Service	Your monthly allowance at age 42.25 (per month for life)	Your beneficiary's monthly allowance after your death (per month for life unless unmodified allowance or option 1 has been selected)	Your monthly allowance upon the death of your beneficiary (per month for life)
UNMODIFIED ALLOWANCE	\$ 2,218	Retired Death Benefit	\$ 2,218
Option 1	\$ 2,193	Your remaining contributions*	\$ 2,193
Option 2	\$ 1,955	\$ 1,401	\$ 2,218
Option 2W	\$ 1,987	\$ 1,432	\$ 1,987
Option 3	\$ 2,075	\$ 760	\$ 2,218
Option 3W	\$ 2,093	\$ 769	\$ 2,093

In addition to the retirement date you requested, we have provided you with an additional estimate based on your date of birth:

Options available if you retire on 01/13/2002 with 23.463 Years of Service	Your monthly allowance at age 43.00 (per month for life)	Your beneficiary's monthly allowance after your death (per month for life unless unmodified allowance or option 1 has been selected)	Your monthly allowance upon the death of your beneficiary (per month for life)
UNMODIFIED ALLOWANCE	\$ 2,302	Retired Death Benefit	\$ 2,302
Option 1	\$ 2,275	Your remaining contributions*	\$ 2,275
Option 2	\$ 2,023	\$ 1,447	\$ 2,302
Option 2W	\$ 2,055	\$ 1,480	\$ 2,055
Option 3	\$ 2,150	\$ 787	\$ 2,302
Option 3W	\$ 2,169	\$ 797	\$ 2,169

PLEASE SEE IMPORTANT INFORMATION ON NEXT PAGE

* Option 1 provides that after your death, your beneficiary will receive a lump sum payment of the remainder of your contributions. The total contributions of \$52,474.92 will be reduced by \$417.39 for each month that you received an allowance. Your contributions will be reduced to zero in approximately 10.47 years.

SURVIVOR CONTINUANCE: A continuing allowance of \$554.67 will be paid upon your death to an eligible survivor in addition to any payment under the option you elect.

A lump sum benefit of \$2000 will be paid to your beneficiary upon your death regardless of the option elected at retirement.

CALPERS WEB SITE

You have taken an important step in planning your retirement by requesting an estimate of your retirement allowance. You may obtain additional information on all programs administered by CalPERS by logging on to our web site at <http://www.calpers.ca.gov>. In addition, this site includes a retirement planning calculator; by entering some personal information, the calculator provides an estimate of your monthly retirement benefit.

PLEASE SEE IMPORTANT INFORMATION ON NEXT PAGE

Explanation of Optional Settlements All Payments Provide a Lifetime Allowance to the Member

If there is any change in your retirement date, birth date or beneficiary's birth date, credited service time or compensation, the allowances payable will differ from the allowance shown on your estimate.

Unmodified - The Unmodified Allowance is the highest monthly allowance paid to you each month for life. Upon your death, there is no monthly allowance* or return of member contributions to your beneficiary.

Option 1 - The Option 1 Allowance is slightly less than the Unmodified Allowance but provides that if there are any member contributions remaining at the time of your death the balance would be paid to your beneficiary in a lump sum. There will be contributions remaining for approximately 9 to 11 years. The Option 1 Allowance does not provide for a monthly allowance* to a beneficiary after the member's death.

Option 2 - The Option 2 Allowance is the lowest monthly allowance payable to you for life. Selecting this option provides that upon your death the same monthly allowance will continue to be paid to your designated beneficiary for life. If your named beneficiary predeceases you, your monthly allowance will increase (or pop-up) to the present value of the Unmodified Allowance.

Option 2W - The Option 2W Allowance is slightly higher than the Option 2 Allowance. Upon your death, your named beneficiary will continue to receive the same monthly allowance for life. However, if your named beneficiary predeceases you, your monthly allowance will remain the same.

Option 3 - The Option 3 Allowance provides for a higher monthly allowance to you than the Option 2 or 2W Allowances. Upon your death, your named beneficiary will receive $\frac{1}{2}$ of your monthly allowance for life. If your named beneficiary predeceases you, your monthly allowance will increase (or pop-up) to the present value of the Unmodified Allowance.

Option 3W - Option 3W is slightly higher than the Option 3 Allowance. Upon your death, your named beneficiary will continue to receive $\frac{1}{2}$ of your monthly allowance for life. However, if your named beneficiary predeceases you, your monthly allowance will remain the same.

Option 4 - Under Option 4, the law allows you to customize the amount of allowance you want to provide, as long as the amount to your beneficiary is not more than the amount provided under Option 2W. Please refer to Retirement Option 4 (PERS-PUB-18) for examples of the types of Option 4 allowances that are currently available.

*Explanation of Survivor Continuance

Survivor Continuance is a monthly benefit paid for by your employer to your eligible survivor upon your death. This benefit is provided to all State and School employees. Public Agencies can provide this benefit to their employees by contract amendment. If payable to a spouse, the benefit will continue for lifetime regardless of remarriage.

In addition to the amounts payable under the option selected, your beneficiary will receive a retired member lump sum death benefit.