

## **Effects of School Closures Due to COVID-19**

CalSTRS understands the need for guidance as school districts, county offices of education or other governing bodies authorize school closures based on COVID-19 concerns. CalSTRS is committed to working with our employer partners during this time of uncertainty and will continue to monitor the situation and communicate updated information as it becomes available from the Governor's Office, the California Department of Education and the California Health and Human Services Agency.

On March 13, 2020, Governor Newsom issued [Executive Order N-26-20](#) ensuring California public school districts, county offices of education and charter schools retain state funding even in the event of physical closure. Amongst other things, the order provides that even if schools temporarily close due to COVID-19, school districts must continue to pay employees.

### **What is the impact to members' service credit?**

Service credit is the accumulated period of time, in years and partial years, during which a member receives creditable compensation and makes contributions to the Defined Benefit Program. Service credit for a school year is earned proportionally, based on the creditable compensation earned ("earnings") divided by the compensation that is earnable for full-time service in that position ("annualized pay rate").

Because school districts, county offices of education and charter schools continue to receive state funding, there should be no adverse impact to a member's service credit because the member's earnings should reflect the compensation they would have received had schools not been closed.

### **How should this compensation be reported to CalSTRS?**

Report the compensation like any other employer-approved paid leave of absence.

### **Will there be relief from Penalties and Interest assessments?**

If a school closure impacts timely submission of monthly reports to CalSTRS, penalties and interest will automatically generate. However, CalSTRS is committed to working with you to waive the assessment for the late reporting penalty through the established dispute process.

If you have any questions regarding penalties and interest, please contact us at [Contributions@CalSTRS.com](mailto:Contributions@CalSTRS.com).

CalSTRS is proactively reaching out to CalSTRS members through multiple channels to provide updates on CalSTRS contact center operations and changes to services.

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For more information, please visit the [Updates from CalSTRS on coronavirus](#) section of CalSTRS.com.

If you have any questions regarding this circular, please contact CalSTRS Employer Help at [EmployerHelp@CalSTRS.com](mailto:EmployerHelp@CalSTRS.com).