

STATE OF CALIFORNIA - SAVINGS PLUS PROGRAM Part-time, Seasonal, Temporary (PST) Retirement Plan Fact Sheet

The PST Plan

The PST Plan is a savings plan created by federal law for employees who are not members of a retirement system. The PST Retirement Plan provides an opportunity for employees not covered by Social Security or by the California Public Employees' Retirement System (CalPERS) to save for retirement.

The Department of Personnel Administration's Savings Plus Program (SPP) administers the PST Plan for employees hired as part-time, seasonal, or temporary. The PST Plan is an eligible deferred compensation plan under Internal Revenue Code Section 457.

Employees Who Must Participate In The PST Plan

Employees not covered by Social Security and excluded from participation in CalPERS must participate in the PST Plan. Typically, this includes the following:

- Part-time employees who work less than one-half time.
- Seasonal employees.
- Temporary and permanent-intermittent employees, excluding members of boards or commissions, who work less than six months, or 125 days if employed on a daily basis, or less than 1,000 hours in a given fiscal year (July 1st through June 30th), if employed on an hourly basis
- Half-time California State University (CSU) employees who have less than one academic year of credited service.

Your Personnel Office can provide you with information on your eligibility for the PST Plan.

As a PST employee, you are automatically enrolled in this federally mandated PST Retirement Plan. While you are a PST employee, 7.5% of your gross pay will be withheld from each of your paychecks and deposited into your PST account.

Employees Who Are Excluded From Mandatory Participation In The PST Plan

Some PST employees do not participate in the PST Plan. The following employees are **NOT** eligible to participate in the plan:

- Full-time students regularly attending classes in the institution in which they are working.
- Employees hired temporarily to handle disaster emergencies such as fires, floods, storms, and earthquakes.
- Election officials and election workers paid less than \$100 in a calendar year.
- Persons hired through programs to relieve unemployment such as summer youth programs.
- Persons who have retired from the State of California or other public employment covered by CalPERS.
- Authorized non-resident aliens with F or J visas or M teaching visas.
- Individuals paid for services performed in a hospital, home, or another institution in which they live.
- Persons who have CalPERS coverage through concurrent public agency employment.
- Persons who are employed in multiple positions with the State. However, one position must be covered by Social Security, CalPERS, the California State Teachers' Retirement System (CalSTRS), the Judges' Retirement System (JRS), or the Legislators' Retirement System (LRS). As a reminder, CSU employees are not considered State employees.
- "Casual" employees who are provided health and welfare benefits. Generally, these individuals are employed more than 60 days but less than 90 days in a calendar year.
- CSU employees who are required to participate in an alternative retirement plan.
- Self-employed individuals rendering services to the State who make Social Security payments on wages earned from their State contract. To request this exemption, you must submit a Letter of Intent Earnings to your Personnel Office indicating that you will pay Social Security taxes on the earnings along with a copy of your Self-Employment Tax form from the prior year.

Maintaining Your PST Account

- Since statements are mailed only once a year, it is very important that the SPP has your correct address. While you are employed, you must change your address with your Personnel Office. When you separate from service, you must notify the SPP of any address change.
- In the event of death, your survivor must notify SPP and complete the required documents that will allow for payment. Your benefits will be paid in the following order, unless you designate otherwise:
 1. Your surviving spouse; or, if none,
 2. Natural and adopted children, share and share alike; or, if none,
 3. Parents, share and share alike; or, if none,
 4. Brothers and sisters, share and share alike; or, if none,
 5. Your estate (if probated, or subject to probate), or, if not,
 6. Your trust (if one exists), or, if not,
 7. Stepchildren, share and share alike; or, if none,
 8. Grandchildren, share and share alike; or, if none,
 9. Nieces and nephews, share and share alike; or, if none,
 10. Great-grandchildren, share and share alike; or, if none,
 11. Cousins, share and share alike.
- You can designate a beneficiary(ies) different than those indicated above for your PST account by completing a *Savings Plus 457 Beneficiary Designation Form* (DC-3496). Contact SPP for this form.

Rolling Over Or Withdrawing Money From Your PST Account

- If you become CalPERS eligible, contributions to your PST Retirement Plan will automatically stop. You may request your PST assets to be rolled over into the SPP 457 Deferred Compensation Plan or request a refund of your assets. You may also be eligible to use your PST account to purchase service credit. Contact the SPP for appropriate forms.
- If you separate from employment, you can request a refund of your account or you can rollover the assets to another employer-sponsored 457 Deferred Compensation Plan, 401(k) Plan, or 403(b) Plan. You can also rollover your PST assets to an Individual Retirement Account (IRA). You must contact the new custodian and the SPP for the appropriate form. Certification from the receiving entity must be obtained prior to submitting a request for rollover of your PST funds.
- If you request and are eligible for a refund of your PST assets, your refund will be issued as a lump sum payment. If your account balance is \$200 or greater, federal taxes will be withheld at a rate of 20% and state taxes will be withheld at a rate of single and (0) zero allowances. If your account balance is less than \$200, taxes will not be withheld. You will be issued a 1099-R form in January of the following year for tax reporting purposes.

Facts About The PST Retirement Plan

- As an eligible PST employee, you are not covered by Social Security. Moreover, you are presently excluded from a pension through CalPERS, based on your length of employment or time base. From each paycheck that you receive, 7.5% of your gross wages are withheld pretax, deposited in your name, and invested for you.
- Your automatic payroll deductions are deposited in a PST account. PST assets are invested in the Vanguard Total Bond Market Index Fund. You can obtain more information about this fund by contacting the SPP.
- There are no employer contributions or matching funds in the PST Plan. Your PST contributions plus any earned interest constitute your entire account balance.
- There are no fees charged to you for your PST account.
- SPP maintains your PST account until you request to withdraw it.
- SPP issues annual statements each August reflecting your PST contributions, earnings and current balance.
- You are fully “vested” (eligible for benefits) as soon as you are enrolled in the PST Retirement Plan.
- Your assets will remain in your PST account until you reach age 70 ½ unless you request and are eligible to have your assets rolled over or refunded to you.
- Your participation in the PST Plan does not limit your contributions to an Individual Retirement Account (IRA).
- If you contribute to a 457 Deferred Compensation Plan in the same year in which you contributed to the PST Retirement Plan, your PST contributions will be included in determining your total annual contributions to the 457 plan.

How To Reach The SPP:

Savings Plus Program
PST Retirement Plan
1800 15th Street
Sacramento, CA 95814

Voice Response System (VRS):
Customer Service:

(866) 566-4777 24 hours a day, 7 days a week
8:30 a.m.- 4:00 p.m. (PT), Monday - Friday. To
speak with a customer service representative,
press *0.

SPP Office:
TDD:
Fax:
SPP Web site:

Open 8:00 a.m.- 5:00 p.m. (PT), Monday - Friday
(916) 327-4266
(916) 327-1885
www.sppforu.com