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Reference No.:  
Circular Letter No.: 200-003-12  
Distribution: IV, V, X  
Special:

## Circular Letter

January 26, 2012

**TO: ALL STATE AGENCIES AND CALIFORNIA STATE UNIVERSITY**

**SUBJECT: INFORMATION ON AB 1028 CHANGES TO EMPLOYMENT AFTER RETIREMENT**

The purpose of this Circular Letter is to inform you of changes to the Public Employees' Retirement Law (PERL). Effective January 1, 2012, Assembly Bill (AB) 1028 amended Government Code (G.C.) sections 21224, and 21229, concerning employment after retirement.

G.C. section 21224 - Limited Service During Emergency or Special Services Required; Rate of Pay, is used by the appointing powers of State and Public Agencies to temporarily employ CalPERS retirees.

G.C. section 21229 - Service for School Employer or California State University (CSU) During Emergency or Special Skills Required; Rate of Pay, is used by the appointing powers of school employers and the CSU System to temporarily employ CalPERS retirees. Both sections were amended as follows:

- To include the word "temporary" to clarify that these sections apply to retirees employed as temporary "extra help" appointments—during an emergency to prevent stoppage of public business or to perform work of limited duration, i.e., elimination of backlog, special projects, work in excess of what the employer's permanent employees can do, etc. Retirees should not be appointed to vacant permanent part-time, permanent intermittent, or permanent full-time positions, even if the hours worked will not exceed 960 hours per fiscal year or the retiree will be subject to mandatory reinstatement from retirement.
- To include the word "specialized" to clarify that retirees employed as temporary "extra help" are to have the specialized skills required to perform the needed work. The employer generally determines what specialized skills are required.

This Circular Letter also serves to remind that pursuant to G.C. sections 21224 and 21229:

- Existing law provides that retirees are permitted to work up to a total of 960 hours per fiscal year. Where a retiree works for more than one CalPERS employer during a fiscal year, the total hours worked for all employers are included within the 960-hour maximum.
- The retiree's rate of pay must be comparable to that paid to other employees performing similar duties. The rate of pay is the base salary as listed in the employer's published (publicly available) salary schedule.
- A retiree can work for more than one fiscal year for the same employer only if the employment is temporary "extra help" work as defined above.

G.C. section 21221(h) - Conditions and Limitations on Service After Retirement, is only used by the governing body of contracting agencies. Therefore, the changes to this section do not affect any State Agencies or the CSU System.

If you have any questions, please call our CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

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