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Legislation

Circular Letter

December 10, 2019

Circular Letter: 200-054-19 Distribution: IV, V, VI, X, XII, XVI

To: All CalPERS Employers

Subject: Assembly Bill 672, Chapter 98 – Working After Disability/Industrial Disability

Retirement

Purpose

The purpose of this Circular Letter is to inform you of the passage of Assembly Bill (AB) 672, concerning working after disability/industrial disability retirement. This bill adds a new section to the Public Employees' Retirement Law (PERL), Government (Gov.) Code section 21233.

This section prohibits a person who has retired for disability from being employed by any employer without reinstatement from retirement if the position is the position from which the person retired, or if the position includes duties or activities that the person was previously restricted from performing at the time of disability retirement. If a person retired for disability is employed by an employer without reinstatement from retirement, the employer shall provide to CalPERS the nature of the employment and the duties and activities the person will perform.

Law Becomes Effective January 1, 2020

CalPERS will provide employers with further instructions regarding the form and manner in which this information should be provided. This new law becomes effective January 1, 2020. It shall not apply to a person employed by an employer pursuant to section 21232.

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Importance of Reporting

As a reminder, pursuant to section 21220, an employer shall enroll a retired annuitant (including disability retirees) within 30 days of the effective date of hire or a fee of \$200 will be assessed per month until the retired annuitant is enrolled in myCalPERS. Also, an employer shall report and post retired annuitant payroll records within 30 days following the last day of the effective earned period. Payroll records can be submitted in either an earned period report or an adjustment report. Records must be posted within 30 days following the last day of the record earned period, or a \$200 fee will be assessed per month until the payroll information is posted.

CalPERS encourages all employers to review all retired annuitant appointments for compliance with the PERL. Each retired annuitant currently working at your agency should have an appointment in myCalPERS. If a retired annuitant has separated from your agency, be sure their appointment has been separated in myCalPERS. For more information refer to Circular Letter 200-048-18 (PDF).

Questions

If you have any questions or require additional clarification, call the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-255-7377).

Keith Riddle, Chief Disability & Survivor Benefits Division