



California Public Employees' Retirement System
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Announcements

Circular Letter

March 18, 2020

Circular Letter: 200-015-20

Distribution: IV, V, VI, X, XII, XVI

To: All CalPERS Employers
Subject: Governor's Executive Order N-25-20

Purpose

The purpose of this Circular Letter is to inform you of the impact of Executive Order N-25-20 on CalPERS retirees employed as retired annuitants with all CalPERS employers.

Work Hour Limitation Exceptions

On March 4, 2020, Governor Gavin Newsom declared a statewide state of emergency due to the COVID-19 pandemic. Governor Newsom issued Executive Order N-25-20 to further enhance California's ability to respond to COVID-19. Consistent with applicable federal law, and to ensure adequate state staffing to expedite emergency response and recovery, the work hour limitations for retired annuitants are suspended from the date the state of emergency was declared until the state of emergency is lifted.

The intent of the executive order is to suspend reinstatement and the retired annuitant work hour limitation of 960 hours per fiscal year during the state of emergency. Any hours worked by a retired annuitant to ensure adequate staffing during the state of emergency will not be counted toward the 960-hour limit for the fiscal year.

Wait Period Exceptions

Under this executive order, the 180-day break in service requirement under Government Code section 7522.56(f) is also suspended for retired annuitants hired to ensure adequate staffing during the state of emergency.

In addition, under subdivision (c) of section 586.2 of Title 2 of the California Code of Regulations (CCR), the declaration of a state of emergency exempts retired annuitants from the 60-day separation in service requirement under subdivision (a)(2) of CCR section 586.2. However, please be aware, the prohibition under subdivision (a)(1) of CCR section 586.2 on any predetermined agreement between an employer and an impending retiree who has not attained normal retirement age, continues to remain in effect, consistent with federal law.

Timeline

The start date for the state of emergency was March 4, 2020. The suspension of the retired annuitant work hour limitation and wait period exceptions will remain in place until the state of emergency is lifted.

Continued Compliance

Agencies must continue to enroll, and report retired annuitants to CalPERS. The remaining working after retirement provisions in Government Code sections 21221(h), 21224(a), and 7522.56(e) will continue to apply:

- Compensation for the appointment shall not exceed the maximum monthly base salary paid to other employees performing comparable duties as listed on a publicly available pay schedule divided by 173.333 to equal an hourly rate.
- A retired annuitant shall not receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the hourly pay rate.

The emergency proclamation applies to work performed by a retired annuitant hired to ensure adequate staffing during the state of emergency. You must notify the director of the California Department of Human Resources of any individual employed pursuant to these waivers.

Notification should be sent to CAStateofEmergency@calhr.ca.gov.

CalPERS will continue to monitor the work hours for retired annuitants covered by this order and send communication to confirm when a violation is found and whether it complies with these exceptions.

Questions

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

Renee Ostrander, Chief
Employer Account Management Division