

Working After Retirement

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Agenda

- Working After Retirement Rules/Restrictions
- Working After Retirement Violation Consequences
- System Controls
- Communication
- Training & Education
- Potential Changes
- Resources

- Note: Rules are based on a service retirement; additional rules apply to disability and industrial disability retirements

Retired Annuitant Options

- “Interim” or “Acting” Assignment [21221(h)]
 - Resolution required prior to start; must have duration identified
 - Cannot reappoint to same vacancy
 - Must be an active recruitment
- Extra Help (21224)
 - Limited duration, i.e. backlog, special project, excess work
 - Special skills

Post-Retirement Employment Restrictions

- Break Prior to Return
 - 180-day break
 - Some exceptions apply
 - Compulsory if retirement incentive received
 - Normal Retirement Age
 - 60 day waiting period
 - No verbal or written agreements
 - Highest age in formulas (max 62)
 - Only exception to 60 day wait period is Governor's Executive Order for disaster

Post-Retirement Employment Restrictions

- Hours
 - 960-hour limit
 - Restarts every fiscal year
 - All employers combined
 - Only exception is Governor's Executive Order
- Pay
 - Pay must be within current salary schedule
 - No additional benefits

Independent Contractor v Employee

- True independent contractors are not subject to any post-retirement employment restrictions
- Utilizing a third-party employment agency does not create an independent relationship with employer
- Common Law Control test applied

- Note: Possible to be a true independent contractor working at a CalPERS-covered agency (same or different from active employment); critical retiree and employer understand rules and consequences for violations

Consequences for Violation

- Reinstatement to active membership if a reportable position; inactive membership if a non-reportable position
- Required repayment of all benefit payments during violation period
- COLA restarts at re-retirement
- Contributions required for service reported during violation period (if service is reportable)

System Controls

- Updated myCalPERS to display normal retirement age for both employers and members/retirees
- Enhancements to myCalPERS so retiree can monitor hours reported for all CalPERS-covered employers
- Created report to identify all retirees that are reported to have worked more than 960 in a fiscal year

Communication

- System generates a letter to all retirees at appointment
- Reminder letters when reaching 600 and 700 hours in a fiscal year
- Published several PERSpective Articles highlighting the post retirement employment rules
- Published several Employer News articles highlighting the post retirement employment rules
- Issued circular letters regarding impact of Governor's Executive Orders
- Added language to paper and online retirement application requiring acknowledgement and confirmation that they will abide by restrictions

Training & Education

- Updated all member and employer presentations
- Conducted quarterly webinars
- Presented in employer forums as requested
- Updated website, reference guides, and publications
- Updated internal process and procedures to ensure consistent processing

Potential Changes

- SB 411
- Proposed regulation defining limited duration

Resources

- CalPERS Customer Contact Center
 - **888 CalPERS** (or **888 - 225-7377**)
- Working After Retirement Email
 - Working_After_Retirement@calpers.ca.gov
- CalPERS Website: www.calpers.ca.gov
 - Pub 33: Employment After Retirement
 - Pub 37: Reinstatement from Retirement

Questions