## Article 7.5 Normal Retirement Age and Bona Fide Separation in Service

## Proposed Amendment of Sections 586.1 and 586.2 of Article 7.5 of Subchapter 1 of Chapter 2 of Division 1 of Title 2 of the California Code of Regulations

### § 586.1. Normal Retirement Age

(a) The normal retirement age of a member shall be the later of:

(1) the age when the member is first eligible to retire pursuant to Article 1 through Article 5 of Chapter 12, Part 3, Division 5 of Title 2 of the Government Code; or

(2) the highest specified age applicable to the member in the benefit formula, not to exceed age 62, where the highest specified age is defined as:

(A) 62 if the member is entitled to benefits under Government Code sections ~~20176~~21076, 21076.5, 21100, or 7522.20;

(B) 60 if the member is entitled to benefits under Government Code sections 21353 or 21354.3;

(C) 57 if the member is entitled to benefits under Government Code section 7522.25;

(D) 55 if the member is entitled to benefits under Government Code sections 21354, 21354.1, 21354.4, 21354.5, 21363, 21363.1, 21366, 21369, 213 69.1, or 21369.2; and

(E) 50 if the member is entitled to benefits under Government Code sections 21362, 21362.2, 21363.3, 21363.4 or 21363.8.

For purposes of determining the normal retirement age applicable to a member in the benefit formulas described in this subpart (2), the Public Employees' Retirement System shall disregard any benefit formulas for which each of the following requirements are satisfied: (i) the member's years of service under the disregarded benefit formula(s) in the aggregate represent less than 20% of the member's total years of service; and (ii) the member's years of service under one or more other benefit formulas that are not disregarded, and that together share a common specified age which is less than the specified age of any disregarded formula(s), represent in the aggregate at least 80% of the member's total years of service.

(b) In the event an existing benefit formula is modified or a new benefit formula is enacted, the chief actuary may determine the normal retirement age until such time that the regulations may be amended.

### § 586.2. Bona Fide Separation in Service

(a) For purposes of working for a CalPERS-covered employer after retirement pursuant to Article 8, of Chapter 12, Part 3, Division 5 of Title 2 of the Government Code, a member who has not either (i) attained normal retirement age or (ii) attained age 59½ (or such earlier age at which distributions during working retirement are permitted under section 401(a)(36)(A) of the Internal Revenue Code, as amended), shall have a bona fide separation in service. A bona fide separation in service is defined as:

(1) no predetermined agreement between the employer and the member prior to retirement to return to work for the employer after retirement; and

(2) a separation in service of at least 60 calendar days between the date of the member's retirement and the first day of work for the employer as a retired person. The 60 days shall commence on the day after retirement.

(b) Any retired person employed in violation of this regulation shall be subject to the consequences provided in Government Code section 21220.

(c) In the event an emergency has been declared as provided in Government Code Section 8558 that requires the employment of a retired person, the 60 calendar day separation in service requirement set forth in subdivision (a)(2) of this regulation shall not apply.