



A Guide to CalPERS

Employment After Retirement

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WHAT RETIREES SHOULD KNOW BEFORE WORKING AFTER RETIREMENT

This publication contains general information regarding working after your CalPERS retirement and applies to all retirees, i.e., service, disability, and industrial disability. If you have any questions about the information in this publication, please contact CalPERS before accepting employment.

All Retirees

California retirement law and federal tax law provide specific employment restrictions for retirees who, without reinstating from retirement, return to work with an employer in the same public retirement system from which they receive a benefit.

These restrictions are intended to prevent the “double-dipping” of a retiree receiving a monthly CalPERS retirement benefit while also receiving a permanent position’s salary from a CalPERS employer. This publication provides the requirements for working for a CalPERS employer after retirement without reinstatement as an employee of the CalPERS employer, also known as a “retired annuitant.” There is also information about working for a CalPERS employer as an independent contractor, consultant, contract employee, and through a third-party employer.

Before You Retire

You Must Terminate All CalPERS Employment Before Retirement

You cannot retire from one CalPERS position and remain employed in a different CalPERS position after retirement. If you work for more than one CalPERS employer before retirement or work in more than one position for one CalPERS employer, you must “separate from,” i.e., terminate all CalPERS employment to be eligible to retire. If you are employed full time for one CalPERS employer and part time for a different CalPERS employer, or hold any combination of full-time and part-time jobs with one or more than one CalPERS employer, you must terminate all such employment before you can retire. You should inform every CalPERS employer of your retirement date and terminate all CalPERS employment before your retirement date. To continue any pre-retirement CalPERS employment after your retirement date could result in an automatic retirement date change or the cancellation of your retirement until the day after you do terminate all pre-retirement CalPERS employment.

Determine Your Normal Retirement (Highest Benefit Formula) Age

Federal law and California retirement law require a retiring member who is younger than normal retirement age (the oldest age of all your benefit formulas) to meet a bona fide separation in service before working after retirement for a CalPERS employer. See “Bona Fide Separation Requirement” on page 4 under the “Eligibility to Work as a Retired Annuitant” section.

You can find all your benefit formulas on your most recent CalPERS Annual Member Statement. Please note that to meet this requirement you cannot have an agreement, written or verbal, to work after retirement with any CalPERS employer before you retire. Therefore, you should determine if you will be subject to this requirement before discussing working after retirement with any CalPERS employer.

Service Retirement vs. Disability Retirement

If you are a service retiree, you can work in private industry or for an employer that does not contract with CalPERS for retirement benefits and continue to receive your CalPERS retirement allowance.

If you are a disability retiree, you can work in private industry or for an employer that does not contract with CalPERS for retirement benefits and continue to receive your CalPERS retirement allowance with the following restrictions:

- Your employment must be in a position significantly different from the one from which you retired. The position should not include duties or activities you were previously restricted from performing at the time of your retirement.
- If you are a disability retiree under the service retirement age, your retirement benefit will be subject to an earnings limit. You are required to report your employment earnings to CalPERS either on a monthly or quarterly basis. The total employer-paid portion of your monthly retirement allowance and your new earnings cannot be greater than the current compensation of the position from which you retired. If the total is greater, your retirement allowance will be reduced. Contact us via our website at www.calpers.ca.gov or call toll free 888 CalPERS (or 888-225-7377) to request a *Disability Retiree's Report of Earnings* form.
- If you are an industrial disability retiree, your retirement allowance is not subject to an earnings limit, even if you are under the service retirement age.
- If you are under the service retirement age and are determined to be performing duties similar to those from which you were previously found disabled, CalPERS can re-evaluate your medical condition to determine whether you should be reinstated from retirement back into your former position.

Your disability retirement requires you to inform CalPERS immediately if you are no longer incapacitated or if you are currently employed in a position similar to the job you retired from.

Your retired annuitant employment must not exceed a total of 960 hours for all employers in any fiscal year (July 1 through June 30).

Eligibility to Work as a Retired Annuitant

All CalPERS retirees can work as an employee of a CalPERS employer without reinstatement from retirement as a retired annuitant. If you are a disability retiree, your employment must be in a position significantly different from the one from which you retired and should not include duties or activities you were previously restricted from performing at the time of your disability retirement.

The retired annuitant employment requirements are as follows:

- You have specialized skills needed to perform work of limited duration or your employment is needed during an emergency to prevent stoppage of public business.
- The hours you work do not exceed 960 hours in a fiscal year (July 1 through June 30) for employment with all CalPERS employers combined.
- The pay rate you receive is not less than the minimum nor exceeds the maximum paid to other employees performing comparable duties, divided by 173.333 to equal an hourly rate.
- You cannot receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the hourly pay rate.
- You cannot be appointed as a retired annuitant if you received unemployment insurance payments for prior retired annuitant work for any CalPERS employer within 12 months prior to the appointment date. Upon accepting employment, you must certify in writing to the employer that you comply with this requirement.

To be eligible for employment as a retired annuitant, you must first meet the following requirements:

- The **bona fide separation requirement** if applicable
- The **180-day wait period requirement** or an allowable exception

Bona Fide Separation Requirement

You cannot be employed as a retired annuitant if you are younger than the normal retirement age on your retirement date, unless both of the following conditions are met:

- There was no verbal or written agreement to return to work as a retired annuitant between you and any CalPERS employer before you retired.
- There is a termination of employment (separation in service) for 60 days between your retirement date and the date your temporary employment as a retired annuitant will begin.

Normal retirement age for CalPERS purposes is the benefit formula age listed in your retirement benefit formula, for example, age 55 for the 2% @ 55 formula, age 60 for the 3% @ 60 formula, and 65 for the 1.25% @ 65 formula,

etc. If your retirement allowance is based on more than one formula, regardless of when that formula was earned, the highest benefit formula age determines your eligibility. The only exception to this restriction is for employment due to the specific emergency conditions as defined in Government Code section 8558. This bona fide separation requirement is in California retirement law and regulations to comply with Internal Revenue Code (IRC) tax regulations.

All retirees who are under normal retirement age at retirement must meet the bona fide separation in service requirement even if an exception to the 180-day wait period applies (see below). These two requirements may be served concurrently.

180-Day Wait Period Requirement

You cannot be employed as a retired annuitant for a period of 180 days after your retirement date without reinstating from retirement, unless you qualify for one of the following exceptions. The 180-day wait period begins on the retirement date. The exceptions are:

- The public agency or school employer certifies the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days have passed, and the appointment has been approved by the governing body of the employer in a public meeting. The appointment may not be placed on a consent calendar.
- For state employers:
 - The State of California employer certifies the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days have passed, and the appointment has been approved by the California Department of Human Resources (CalHR).
 - For State of California legislative employees, the Senate Committee on Rules or the Assembly Rules Committee certifies the nature of the employment and that the employment is necessary to fill a critically needed position before 180 days have passed and approves the appointment in a public meeting. The appointment may not be placed on a consent calendar.
 - For California State University (CSU) employees, the Trustees of the CSU certify the nature of the appointment and that the appointment is necessary to fill a critically needed position before 180 days have passed and approve the appointment in a public meeting. The appointment may not be placed on a consent calendar.
- You will participate in the Faculty Early Retirement Program (FERP) pursuant to a collective bargaining agreement with the California State University (CSU) that existed prior to January 1, 2013, or has been included in subsequent agreements.
- You are a retired firefighter or retired public safety officer as defined in Government Code section 3301 (peace officer) who will perform firefighter or peace officer retired annuitant work.

The 180-day wait period applies without exception if you receive a Golden Handshake or any other employer incentive to retire.

State Employer Civil Service Eligibility Requirement for Retired Annuitants

Retired annuitant employment with a state agency is limited to retirees who have civil service eligibility from previous state agency employment or who qualify for appointment under an applicable civil service employment list. Contact CalHR at www.calhr.ca.gov for additional information. Retired State of California employees can apply for retired annuitant positions via the Boomerang website at <https://boomerang.ca.gov>.

California State University Academic Retired Annuitant Hourly Restriction

California State University (CSU) academic staff retirees can work as retired annuitant academic staff for CSU, but such hours worked for all CSU employers cannot exceed 960 hours in a fiscal year or 50 percent of the hours employed during the last fiscal year prior to retirement, whichever is less.

Unemployment Insurance Payments for Work as a Retired Annuitant

California law prohibits appointment of a retired annuitant by a CalPERS employer if, during the 12-month period before an appointment, you received unemployment insurance compensation for prior retired annuitant employment with any CalPERS employer. Upon accepting employment, you must certify in writing to the employer that you comply with this requirement.

If you are working as a retired annuitant and it is discovered that during the previous 12 months you were paid unemployment insurance compensation based on prior retired annuitant employment with any CalPERS employer, your employment must be terminated on the last day of the current pay period. You will not be eligible for appointment as a retired annuitant with any CalPERS employer for 12 months following the termination date of the current employment. Violation of this unemployment insurance compensation restriction does not result in mandatory reinstatement from retirement.

Retired Annuitant vs. Permanent Employment

If you intend to remain retired and work for a CalPERS employer, you should apply for and accept a retired annuitant position only. Appointment to any permanent position, part time or full time, requires reinstatement from retirement unless the employment is otherwise authorized by the retirement law. This applies to all CalPERS member classifications (miscellaneous, safety, police, fire, etc.).

You should apply for and accept a permanent position with a CalPERS employer only if you are voluntarily reinstating from retirement, and you and the employer have completed the *Reinstatement From Retirement Application*. For more information about voluntary reinstatement from retirement into

If you collected unemployment insurance benefits, the 12-month preclusion period begins the day after the issue date of your last unemployment insurance payment.

active employment, review the publication *A Guide to CalPERS Reinstatement From Retirement*, which contains the application for reinstatement. This publication is available on our website at www.calpers.ca.gov or call toll free 888 CalPERS (or 888-225-7377) to request a copy.

When applying for employment with any employer, it is your responsibility to:

- Ask if the employer contracts with CalPERS for retirement benefits.
- Inform the employer you are a CalPERS retiree (receiving a retirement benefit from CalPERS) and specify the type of retirement, i.e., service, disability, or industrial disability.
- Ensure the employment you accept will be in compliance with retirement law.

Once hired, you and the employer share equal responsibility to ensure your employment complies with the retirement law during the entire course of your employment. As a retired annuitant, you do not accrue service credit or otherwise acquire any additional retirement benefits from the employment.

Partial Service Retirement – Alternative to Retired Annuitant Employment

An alternative to service retirement and working as a retired annuitant is partial service retirement. This benefit is available to full-time state miscellaneous, full-time state industrial, and full-time public agency employees whose employer contracts for this benefit.

It works this way: With employer approval, an employee who meets the eligibility requirements can reduce their work time by at least 20 percent but not more than 60 percent and receive a retirement allowance for the balance.

For more information about partial service retirement, contact your employer and ask if they contract for this benefit and see our publication, *A Guide to Your CalPERS Partial Service Retirement*. This publication is available on our website at www.calpers.ca.gov or call toll free 888 CalPERS (or 888-225-7377) to request a copy.

Independent Contractor, Consultant, Contract Employee, and Third-Party Employer

If you work for a CalPERS employer as an independent contractor, consultant, contract employee, or through a third-party employer, including your own business entity, your employment could still be subject to the retired annuitant restrictions if the employment, in fact, constitutes a common law employer-employee relationship. If the work you will perform is the same or similar to work you performed as an active employee or is work that is performed by active employees, it is most likely subject to the retired annuitant restrictions.

Note: A position established by statute can never be hired as an independent contractor or an employee of a third-party employer (for example, city mayor, police chief, fire chief, etc.). If there is any question as to whether a proposed position is a true independent contractor or employee of a third-party employer, the prospective CalPERS employer can request a written determination.

Employment in Another Public Retirement System and Elected and Appointed Offices

Please call CalPERS at **888 CalPERS** (or **888-225-7377**) for information.

Special State Appointments – Retired Annuitant Requirements Do Not Apply

Part-Time Member of State Board or Commission – CalPERS Retirees and Non-CalPERS Retirees

You can serve without reinstatement from retirement as a part-time salaried member of a state board or commission, where part-time is defined as an appointment with a salary of no more than \$60,000 annually, which will be increased in any fiscal year in which a general salary increase is provided for state employees. The amount of the increase shall not exceed the percentage of the general salary increases provided for state employees during that fiscal year. You shall acquire no benefits, service credit, or retirement rights from this employment.

Full-Time Member of State Board or Commission – CalPERS Retirees

You can serve without reinstatement from retirement only as a non-salaried full-time member of a state board or commission. You may receive only per diem authorized to all members of the board or commission. You shall not earn any service credit or benefits in CalPERS, nor make any CalPERS contributions. If you accept the salary, you must reinstate from retirement.

Full-Time Member of State Board or Commission – Non-CalPERS Retirees

If you receive retirement from a public retirement system other than CalPERS, you can serve as a non-salaried full-time member of a state board or commission and continue to receive your retirement allowance in addition to any per diem authorized to all members of the board or commission. If you accept the salary, you must suspend your retirement benefit from the other system and instate as a new member of CalPERS. Upon retirement (1) the pensionable compensation earned from the service on this board or commission shall not be eligible for reciprocity with any other retirement system or plan, and (2) you shall be entitled to prospective reinstatement of any suspended benefits, including employer-provided retiree health benefits, for which you were entitled at the time of appointment to the board or commission.

Full-Time Member of State Board of Parole Hearings – CalPERS Retirees and Non-CalPERS Retirees

If you are appointed as a full-time member of the Board of Parole Hearings, you may serve without reinstatement from retirement or loss or interruption of benefits provided by the retirement system. This appointment is made by the Governor and requires confirmation by the California Senate.

Consequences of Unlawful Employment

Retiree employment found to be in violation of the retirement law and regulations is unlawful employment. If you are employed by any CalPERS employer in a permanent position that is not specifically permitted under California retirement law, you are unlawfully employed and this can result in your mandatory reinstatement from retirement, retroactive to the date the unlawful employment occurred.

If reinstated, you will be required to reimburse CalPERS the amount of retirement allowance you received during the period of unlawful employment. In addition, through your employer, you will pay member contributions plus interest owed retroactive to your reinstatement date. Reinstatement could make you ineligible for any health benefit entitlement, Golden Handshake service credit, or reciprocity benefit you may have from your current retirement.

Additionally, if reinstated, the CalPERS employer who unlawfully employed you will be required to pay the employer contributions plus interest owed retroactive to your reinstatement date.

For information about voluntary reinstatement from retirement into active employment, review our publication *A Guide to CalPERS Reinstatement From Retirement*, which contains the application for reinstatement. This publication is available on our website at www.calpers.ca.gov or call toll free 888 CalPERS (or 888-225-7377) to request a copy.

If you are employed by any CalPERS employer in any permanent or regular staff position not specifically permitted under retirement law, you are unlawfully employed.

BECOME A MORE INFORMED MEMBER

CalPERS On-Line

Visit our website at www.calpers.ca.gov for information on all our benefits and services.

my|CalPERS

Log in at my.calpers.ca.gov to access real-time details and balances of your CalPERS accounts. With my|CalPERS you can:

- View, print, and save current and past statements.
- Select mailing preferences for your statements, newsletters, and retirement checks.
- Search for medical premium rates and health plans available in your area and confirm which dependents are covered on your health plan.
- Estimate your future retirement benefit and save the estimates to view later.
- Send and receive secure messages.
- Order and download publications.
- Send account information to third parties, such as banks.
- Apply for service retirement.
- Change your beneficiary designation.
- Retirees can update contact information, set up direct deposit, and change tax withholdings.

CalPERS Education Center

Whether you're in the early stages of your career or getting ready to retire, visit the CalPERS Education Center in my|CalPERS to:

- Take online classes that help you have a better understanding of your CalPERS benefits.
- Register for instructor-led classes at a location near you.
- Download class materials and access information about your current and past classes.
- Schedule a one-on-one appointment with a representative at your nearest CalPERS Regional Office.

Experience CalPERS Through Social Media

- Facebook: www.facebook.com/myCalPERS
- Twitter: www.twitter.com/CalPERS
- Instagram: www.instagram.com/CalPERS
- YouTube: www.youtube.com/CalPERSNetwork
- Google Plus: www.calpers.ca.gov/googleplus
- LinkedIn: www.linkedin.com/company/calpers

Reach Us by Phone

Call us toll free at **888 CalPERS** (or **888-225-7377**).
Monday through Friday, 8:00 a.m. to 5:00 p.m.
TTY: (877) 249-7442

Visit Your Nearest CalPERS Regional Office

Fresno Regional Office

10 River Park Place East, Suite 230
Fresno, CA 93720

Glendale Regional Office

Glendale Plaza
655 North Central Avenue, Suite 1400
Glendale, CA 91203

Orange Regional Office

500 North State College Boulevard, Suite 750
Orange, CA 92868

Sacramento Regional Office

Lincoln Plaza East
400 Q Street, Room 1820
Sacramento, CA 95811

San Bernardino Regional Office

650 East Hospitality Lane, Suite 330
San Bernardino, CA 92408

San Diego Regional Office

7676 Hazard Center Drive, Suite 350
San Diego, CA 92108

San Jose Regional Office

181 Metro Drive, Suite 520
San Jose, CA 95110

Walnut Creek Regional Office

Pacific Plaza
1340 Treat Boulevard, Suite 200
Walnut Creek, CA 94597

Visit the CalPERS website for directions to your local office.

Regional Office hours are Monday through Friday, 8:00 a.m. to 5:00 p.m.

INFORMATION PRACTICES STATEMENT

The Information Practices Act of 1977 and the Federal Privacy Act of 1974 require the California Public Employees' Retirement System (CalPERS) to provide the following information to individuals who are asked to supply information to CalPERS. The information requested is collected pursuant to the Government Code (Sections 20000, et seq.) and will be used for administration of the CalPERS Board's duties under the California Public Employees' Retirement Law, the Social Security Act, and the Public Employees' Medical and Hospital Care Act, as the case may be. Submission of the requested information is mandatory. Failure to supply the information may result in the System being unable to perform its function regarding your status and eligibility for benefits. Portions of this information may be transferred to entities including, but not limited to, State and public agency employers, State Attorney General, Office of the State Controller, Franchise Tax Board, Internal Revenue Service, Workers' Compensation Appeals Board, State Compensation Insurance Fund, county district attorneys, Social Security Administration, beneficiaries of deceased members, physicians, insurance carriers, and various vendors who perform services on behalf of CalPERS. Disclosure to the aforementioned entities is done in strict accordance with current statutes regarding confidentiality.

You have the right to review your membership file maintained by the System. For questions concerning CalPERS information practices, please contact the Information Practices Act Coordinator, CalPERS, 400 Q Street, P.O. Box 942702, Sacramento, CA 94229-2702.

While reading this material, remember that we are governed by the Public Employees' Retirement Law and the Alternate Retirement Program provisions in the Government Code, together referred to as the Retirement Law. The statements in this publication are general. The Retirement Law is complex and subject to change. If there is a conflict between the law and this publication, any decisions will be based on the law and not this publication. If you have a question that is not answered by this general description, you may make a written request for advice regarding your specific situation directly to CalPERS.

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