

# Employment after Retirement with a CalPERS Covered Employer

## Guidelines for Rehired Annuitants

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CalPERS retirement is a tax-qualified pension plan under Section 401(a) of the Internal Revenue Code (IRC) and, as such, must comply with the requirements of this section to maintain its tax-exempt status. Government Code (GC) provisions permit former CSU academic and staff/management employees who retire and receive retirement benefits from CalPERS to accept limited CSU employment without jeopardizing retirement benefits or requiring reinstatement from retirement.

Effective January 1, 2013, CSU employees are required to wait 180 days from his/her retirement date before returning to work as a rehired annuitant unless the appointment is necessary to fill a critically needed position **and** has been approved/certified by the Board of Trustees or its authorized designee. Faculty Early Retirement Program (FERP) and Public Safety employees (rehired in a Public Safety position) are exempted from the 180-day sit out period. **Note:** Retirees employed as rehired annuitants prior to 2013 are also exempted from the 180-day sit out period. (AB-340)

### Staff/Management Rehired Annuitants

- **Purpose for Rehire:** Temporary “extra help” appointments are permitted, and must be for:
  - work requiring specialized skills for a **limited** duration, or
  - an emergency to prevent stoppage of public business. (GC 21229)

Examples of a temporary extra help appointment include: elimination of backlog, special projects, and work in excess of what the employer’s permanent employees can do. Retirees may not be appointed to vacant permanent positions, even if the hours worked will not exceed 960 hours per fiscal year.

- **Work Limitations:** Cal Poly rehired annuitant appointments are limited to 90 calendar days (60 calendar days for Unit 4 positions) to ensure they meet the conditions under which rehired annuitant employment is permitted. Appointments may not be extended except under unique and documentable circumstances.

A retired annuitant cannot exceed, in a fiscal year, a total of 960 hours for all CalPERS’ employers (GC 21229). It is the retiree’s responsibility to monitor hours of work.

### Academic Rehired Annuitants

- **Purpose for Rehire and Work Limitations:** The employment in an academic assignment may not exceed 960 hours or 50 percent of the hours the member was employed during the last fiscal year prior to retirement, **whichever is less** (GC 21227); this includes FERP appointments. 960 hours is the equivalent of 120 academic workdays. It is the retiree’s responsibility to monitor hours of work.
- **FERP Appointments** - Review Article 29 of the Unit 3 Collective Bargaining Agreement (available at [http://www.calstate.edu/LaborRel/Contracts\\_HTML/CFA\\_CONTRACT/article29.shtml](http://www.calstate.edu/LaborRel/Contracts_HTML/CFA_CONTRACT/article29.shtml)).

## General Guidelines

**Penalties:** If CalPERS determines the employment of a rehired annuitant is in violation of GC restrictions, the rehired annuitant and employer will be subject to penalties, including reinstatement retroactive to when the employment began, reimbursement for all retirement allowances received during the unlawful employment, and contribution toward administrative expenses to the extent the member and employer are determined to be at fault (GC 21220(b), 21202).

**Unemployment Benefits:** A retiree who collects unemployment benefits based on separation from a retired annuitant position (faculty or staff) must be excluded from hire with the same employer for a 12 month period (GC 21229).

**Leave Benefits:** Rehired Annuitants are **not** eligible to accrue or use sick leave (FERP participants are an exception), nor can they earn vacation or other leave benefits, or be entitled to holiday pay, including personal holiday.

**Tax Sheltered Annuity [403(b)] Deductions:** Rehired Annuitants are eligible to contribute to the 403(b) program.

**Tax Deductions:** Post retirement CSU compensation is subject to federal, state and Medicare taxation, but is excluded from Social Security taxation.