



California Public Employees' Retirement System
P.O. Box 942715
Sacramento, CA 94229-2715
(888) CalPERS (or **888-225-7377**)
TTY: (877) 249-7442
www.calpers.ca.gov

Reference No.:
Circular Letter No.: 200-002-12
Distribution: VI, XII, XVI
Special:

Circular Letter

January 26, 2012

**TO: ALL PUBLIC AGENCIES, COUNTY OFFICES OF EDUCATION,
AND SCHOOL DISTRICTS**

**SUBJECT: INFORMATION ON AB 1028 CHANGES TO EMPLOYMENT AFTER
RETIREMENT**

The purpose of this Circular Letter is to inform you of changes to the Public Employees' Retirement Law (PERL). Effective January 1, 2012, Assembly Bill (AB) 1028 amended Government Code (G.C.) sections 21224, 21229, and 21221(h) concerning employment after retirement.

G.C. section 21224 - Limited Service During Emergency or Special Services Required; Rate of Pay, is used by the appointing powers of State and Public Agencies to temporarily employ CalPERS retirees.

G.C. section 21229 - Service for School Employer or California State University (CSU) During Emergency or Special Skills Required; Rate of Pay, is used by the appointing powers of school employers and the CSU System to temporarily employ CalPERS retirees. Both sections were amended as follows:

- To include the word "temporary" to clarify that these sections apply to retirees employed as temporary "extra help" appointments—during an emergency to prevent stoppage of public business or to perform work of limited duration, i.e., elimination of backlog, special projects, work in excess of what the employer's permanent employees can do, etc. Retirees should not be appointed to vacant permanent part-time, permanent intermittent, or permanent full-time positions, even if the hours worked will not exceed 960 hours per fiscal year or the retiree will be subject to mandatory reinstatement from retirement.
- To include the word "specialized" to clarify that retirees employed as temporary "extra help" are to have the specialized skills required to perform the needed work. The employer generally determines what specialized skills are required.

This Circular Letter also serves to remind that pursuant to G.C. sections 21224 and 21229:

- Existing law provides that retirees are permitted to work up to a total of 960 hours per fiscal year. Where a retiree works for more than one CalPERS employer during a fiscal year, the total hours worked for all employers are included within the 960-hour maximum.
- The retiree's rate of pay must be comparable to that paid to other employees performing similar duties. The rate of pay is the base salary as listed in the employer's published (publicly available) salary schedule.
- A retiree can work for more than one fiscal year for the same employer only if the employment is temporary "extra help" work as defined above.

G.C. section 21221(h) - Conditions and Limitations on Service After Retirement, applies to the governing body of contracting agencies (Public Agencies and School Employers only) was amended as follows:

- To specify that a retiree can be appointed by the governing body of a contracting agency as an interim appointment to a vacant position during recruitment for a permanent replacement.
- To specify that the compensation for this interim appointment shall not exceed the maximum published (publicly available) pay schedule for the vacant position.
- To clarify that this interim appointment is limited to 12 months from the appointment date, with or without an extension to work more than 960 hours as provided in G.C. section 21221(h).
- To provide that an interim appointment under this section cannot continue under G.C. section 21224 or 21229 after the end of the 12-month term under G.C. section 21221(h).
- To clarify that a retiree can be appointed under this G.C. section only once.

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

MARY LYNN FISHER, Chief
Benefit Services Division