

Santa Barbara Unified School District

Administrative Regulation

Certificated Personnel

AR 4117.14
4317.14

POSTRETIREMENT EMPLOYMENT

When necessary, the Governing Board may hire a qualified retired certificated individual who possesses the knowledge and experience needed to perform creditable service for the district as an employee, the employee of a third party, or an independent contractor/consultant, provided that all applicable restrictions specified by the California State Teachers' Retirement System (CalSTRS) are met. Applicable CalSTRS restrictions include, but are not limited to, a requirement that a retired member be paid compensation comparable to that for active employees for comparable duties and prohibitions against the hiring of a retired member within 180 days of his/her retirement and for the classified service, except as an aide pursuant to Education Code 45134. Additional restrictions and rules may apply to other employment situations, such as when CalSTRS retired members are employed as employees of third parties, independent contractors, or consultants. The Superintendent or designee should consult legal counsel when dealing with such employment situations. (Education Code 22119.5, 22164.5, 24214, 24214.5)

(cf. 3600 - Consultants)

(cf. 4111/4211/4311 - Recruitment and Selection)

(cf. 4112 - Appointment and Conditions of Employment)

Any retired member of the defined benefit program of CalSTRS who is hired by the district to perform retired member activities as defined pursuant to Education Code 22164.5 shall be paid at an annualized rate of pay that shall not be below the minimum or exceed the maximum paid to other district employees performing comparable duties. However, such a retired individual shall not make contributions to the CalSTRS retirement fund or accrue service credit based on compensation earned from the retired member activity. (Education Code 24214)

No retired member of the CalSTRS defined benefit program shall be hired by the district for at least 180 calendar days after his/her retirement from service, unless he/she has attained the normal retirement age and qualifies for an exemption to the 180-day waiting period. To seek this exemption, the Board shall, during the open session of a Board meeting, adopt a resolution which shall include the following information and findings: (Education Code 24214.5)

1. A statement expressing the Board's intent to seek an exemption to the 180-day waiting period
2. A description of the nature of the employment of the retiree
3. A finding that the retiree has reached the normal retirement age
4. A finding that the appointment of the retiree is necessary to fill a critically needed position before the 180-day waiting period has passed
5. A finding that the retired individual did not receive additional service credit pursuant to Education Code 22714 or 22715 or any financial inducement to retire. Financial inducement to retire shall include, but is not limited to, cash or any form of compensation or other payment

directly or indirectly paid by any public employer to the retired individual before or after his/her retirement, if the individual retires for service on or before a specific date or range of dates established by the public employer on or before the date the inducement is offered

6. A finding that the retired individual's termination of employment with the district is not the basis for the need to acquire the services of the retired individual

The resolution shall not be adopted through the Board's consent agenda. (Education Code 24214.5)

(cf. 9320 - Meetings and Notices)

When employing a retired individual who is eligible for exemption from the 180-day waiting period, the Superintendent or designee shall submit all required documentation to substantiate eligibility for the exemption to CalSTRS before the retired member begins performing any retired member activities. The Superintendent or designee may contact CalSTRS to request information as to whether the retired member qualifies for the exemption after 30 days of submitting the required documentation to CalSTRS. (Education Code 24214.5)

Postretirement Compensation Limitation, Notice, and Report

All CalSTRS retirees performing creditable service for the district shall be subject to the applicable CalSTRS earnings limit. Monies earned in excess of the limit may subject the CalSTRS retiree to a reduction in his/her retirement allowance. Compensation subject to the earnings limitation includes, but is not limited to, salary or wages, deferred compensation plans, purchase of an annuity contract, tax-deferred retirement plan or insurance program, and other plans or contributions when the cost is covered by a district. (Education Code 22119.5, 22164.5, 24214)

Whenever the district retains the services of a CalSTRS retiree as a district employee, employee of a third party, or an independent contractor, the Superintendent or designee shall: (Education Code 22461, 24214)

1. Advise the retired individual of the postretirement earnings limitation or employment restriction set forth in Education Code 22714, 24214, or 24214.5 or any other applicable law

(cf. 4112.9/4212.9/4312.9 - Employee Notifications)

2. Maintain accurate records of the retired individual's compensation and report it monthly to CalSTRS and the individual, regardless of the method of payment or the fund from which the payments are made

Legal Reference:

EDUCATION CODE

22119.5 Creditable service, definition

22131 Employer; employing agency, definition

22164.5 Retired member activities, definition

22461 Notice of earnings limitation

22714 Encouragement of retirement

22715 Additional service credit

22716 Unpaid services

24214 Creditable service by retiree

24214.5 *Postretirement compensation limit; members below normal retirement age*
26113 *Creditable service, definition*
35046 *Consultancy contracts*
44830 *Employment of certificated employees*
44830.3 *Employment of district interns*
44929 *Service credit under STRS; additional two years*
44929.1 *2+2 service and year credit option under STRS*
45134 *Age limits*
CODE OF REGULATIONS, TITLE 5
27000-27009 *Penalties and interests for late remittances and late and unacceptable reporting by employers*

Management Resources:

WEB SITES

California State Teachers' Retirement System: <http://www.calstrs.com>

SANTA BARBARA UNIFIED SCHOOL DISTRICT

Santa Barbara, California

January 26, 2010; April 12, 2011; September 10, 2018