

CALSTRS

CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM

# Sunset of Earnings Limit Exemptions



## Topics

- Overview of
  - Postretirement Earnings Limit
  - Separation From Service Requirement
  - Earnings Limit Exemptions
- Sunset of Earnings Limit Exemptions
  - Effect on Members/Employers
  - Communication Effort
- Ask Questions

## Postretirement Earnings Limit

- Education Code Section 24214
- Restricts earnings in a CalSTRS-covered position
- Applies to
  - Employees of the school district
  - Independent contractor
  - Employee of a third party

## Postretirement Earnings Limit

- \$31,020 for fiscal years 2011/12 and 2012/13
- If a member exceeds the limit, CalSTRS will collect the excess earnings up to their retirement benefit
  - By check
  - Reduction of their retirement warrant

## **Postretirement Earnings Limit**

Reminder – Ed. Code Section 22461  
requires employers advise retired members  
of the Postretirement Earnings Limitation

# Separation from Service Requirement

- Education Code Section 24214.5
- Federal Law prohibits CalSTRS from distributing retirement benefits:
  - before normal retirement age (60), or
  - a separation from service (minimum of six months).
- Applies to CalSTRS-covered employment as an:
  - Employee of the school district
  - Independent contractor
  - Employee of a third party

## Separation from Service Requirement

- To comply with Federal Law, CalSTRS will collect any money earned during a member's first six months after retirement or until they reach age 60, whichever is sooner.
- Collect by
  - Check
  - Reduction of their Retirement Warrant

## Earnings Limit Exemptions

- Allows member's to exceed Postretirement Earnings Limit
- Types of Exemptions
  - Direct Classroom
  - Remedial
  - Limited-Term Appointment or Assignment
  - Emergency
  - 12-Month Break
- **All Exemption Ending June 30, 2012**

## All Exemptions Ending June 30, 2012

- All members will be subject to the Postretirement Earnings Limit
  - \$31,020 for the 2012/13 fiscal year
- Over 23,000 members effected

## Communication Effort

- Employer e-Bulletins (10/2011, 2/2012, 5/2012)
- Employer Directive (1/2012)
- CalSTRS Publications
  - Member Handbook (1/2012)
  - Your Retirement Guide (1/2012)
- CalSTRS Newsletters
  - Retired Educator (Winter 2012)
  - Employer Connect (Winter 2012)
- Letter/Email to Members (2/2012)
- Client/Employer Advisory Committees
- CalSTRS.com

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**Questions?**





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