

Employer Information Circular

Volume 26; Issue 3

July 23, 2010

Reduced Workload Program

Supersedes Employer Information Circular Volume 25; Issue 10

The purpose of this circular is to convey clarifying language with regard to the Reduced Workload Program (RWP) and our interpretation of the law. Specifically, the law states that the member must:

- have a minimum of 10 years of credited service prior to the reduction in workload; and
- five years of full-time employment immediately preceding the reduction in workload.

The member must be employed in a full-time position for the five years immediately preceding the reduction in workload. However, the member does not have to earn five years of service credit in order to be eligible to participate in the RWP.

For example: Mr. Educator has a total of 15 years of credited service and was employed in a full-time position for the last five years. Three years ago, he took a six month sabbatical, earning only 0.5 years of service credit for that year; therefore, in the last five years of his career he earned 4.5 years of service credit. Because he was employed in a full-time position, he meets the eligibility requirements to participate in the RWP.

This circular also provides notification that the Reduced Workload Program Eligibility Application (ES-1161) has been updated accordingly (see attachment).

The RWP is designed for Defined Benefit Program members who are nearing retirement and want to ease into retirement by working less than full time. For members who participate in the RWP, both employer and member contributions are due as if the member was working full-time. In addition, the member accrues service credit as if they were working full time.

If, for any reason, an employee who is participating in the RWP does not fulfill the full year requirement or drops below 50 percent of full time, they will not receive a full year of service credit. They will receive service credit equal to the amount they actually worked. This includes employees who may be considering retiring before the end of the school year. Employers are encouraged to advise their employees of these scenarios and the consequences prior to participation in the program.

The following qualifications and requirements must be met *prior* to a member being approved to participate in this program:

(Continued . . .)

Employer Requirements

- The Employer's governing board must have approved the RWP participation.
- Employer must maintain the necessary records to separately identify each member who participates in the RWP.

Member Qualifications and Requirements

- Member must be age 55 or older.
- Member must have a minimum of ten years of credited service in a certificated position.
- Member must have been employed in a full-time position for five years immediately preceding RWP effective date.
- Member cannot have had a break in service during the five years immediately preceding the reduction in workload. Sabbaticals, other approved leaves of absence, and unpaid absences for personal reasons from full time employment are not considered a break in service.
- Participation must commence at the beginning of the school year and conclude at the end of the school year.
- The member must not hold a position with a salary above that of a school principal for prekindergarten through grade 12 participants only.
- Member cannot participate for more than ten cumulative years. For example, the member may participate for one year, return to full-time service, and five years later participate in the RWP for a maximum of nine additional years.

Employer *and* Member Requirements

- Both the employer and employee must agree that the employee can participate in the program.
- The reduced workload must be at least one-half of the time required for full-time employment.
- Member and Employer must make contributions to the system as if he or she were working full-time.

CalSTRS' Approval is Required Prior to Participation

- CalSTRS must *receive* and *approve* the Reduced Workload Program Eligibility Certification Application (ES-1161) *prior* to the employee participating in the RWP.
- CalSTRS will communicate with the district, member and County Office approving or rejecting the application.
- CalSTRS will communicate with the district, member and County Office rejecting the application if RWP contribution lines are reported prior to an application being submitted.

If you have any questions regarding this circular, please contact your CalSTRS Member Account Services Representative.

Reduced Workload Program Eligibility Certification

ES 1161 (Rev. 6/10)

CALSTRS

California State Teachers' Retirement System
 P.O. Box 15275, MS 17
 Sacramento, CA 95851-0275
 800-228-5453
 CalSTRS.com

NAME (LAST, FIRST, INITIAL)

CLIENT ID OR SOCIAL SECURITY NUMBER

COUNTY CODE/NAME

DISTRICT CODE/NAME

ELIGIBILITY REQUIREMENTS	YES	NO
1. Reduced Workload Program participation board approved.		
2. Attained age 55 prior to the Reduced Workload Program effective date.		
3. Must have at least 10 years of service credit in a certificated position.		
4. Employed in a full-time position for five years immediately preceding the Reduced Workload Program effective date.		
5. Salary not greater than that of: <ul style="list-style-type: none"> • School principal (K-12) • No limit (community college) 		
6. Agreement: <ul style="list-style-type: none"> • Exists between employer and participant. • Is initiated at the beginning of the school year and concluded at the end of the school year. • May be revoked by consent of both parties. • Has not been in effect for more than 10 years. • Requires participant to work at least 50 percent of full time. 		
Note: If the response to any of the above items is "no," the employee may <u>not</u> be eligible to participate in the Reduced Workload Program, and <u>must</u> contact CalSTRS immediately for final determination.		

Reduced Workload Program EFFECTIVE DATE	FULL-TIME SALARY	PERCENTAGE CONTRACT
	\$	%

I hereby certify by submitting this form that the employee mentioned above is eligible to participate in the Reduced Workload Program as described in Education Code sections 22713, 44922 (K-12), 87483 (community college). I understand that this certification must be completed and approved by CalSTRS before the employee begins working a reduced schedule.

I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering a benefit administered by CalSTRS and it may result in penalties, including restitution, up to one year in jail and a fine up to \$5,000 (Education Code section 22010).

NAME & TITLE	EMPLOYER SIGNATURE	DATE
		

CaSTRS USE ONLY	CaSTRS SIGNATURE	APPROVAL DATE



ES1161