

CALSTRS®

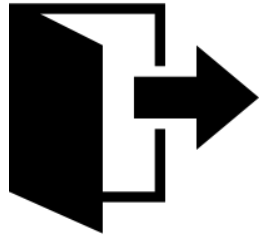
EMPLOYER TRAINING SERVICES

Working After Retirement

Objectives



Define retired DB member and CB participant activities



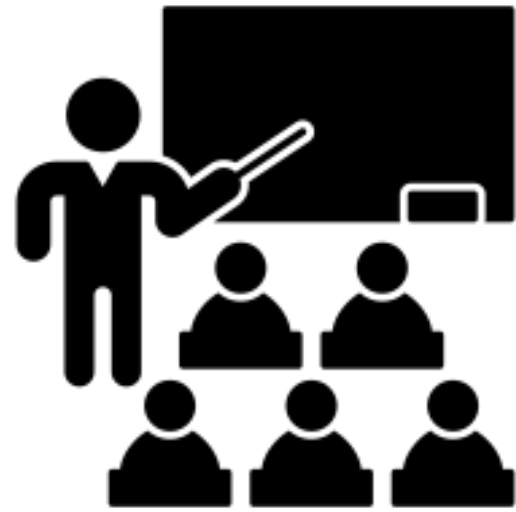
Describe the Separation-from-Service requirement



Identify the earnings limitations and the impacts of exceeding the limits



Explain the responsibilities of the employer



Working After Retirement Criteria

Employment Capacities



Employee of
Employer



School USD



Independent
Contractor



Self, Inc.

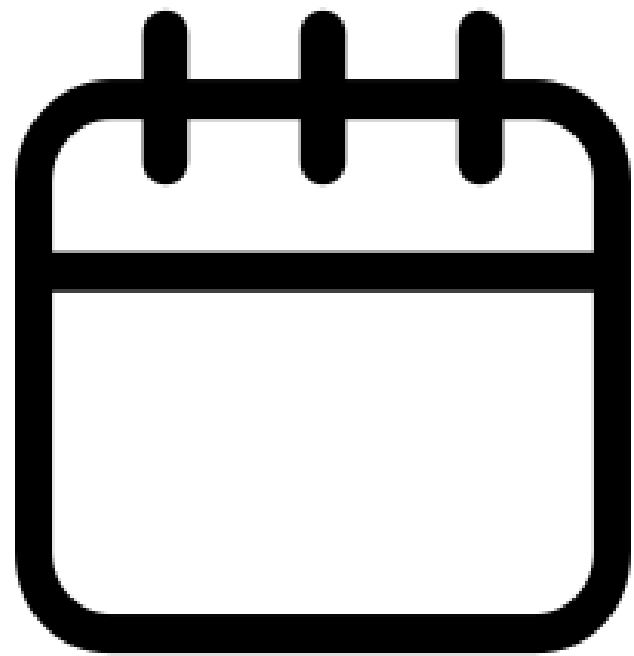


Employee of
Third Party

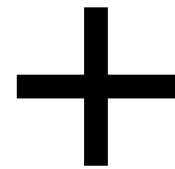


Staffing Agency

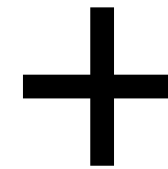
Third-Party Employment Exclusion



Assignment of less than 24 months

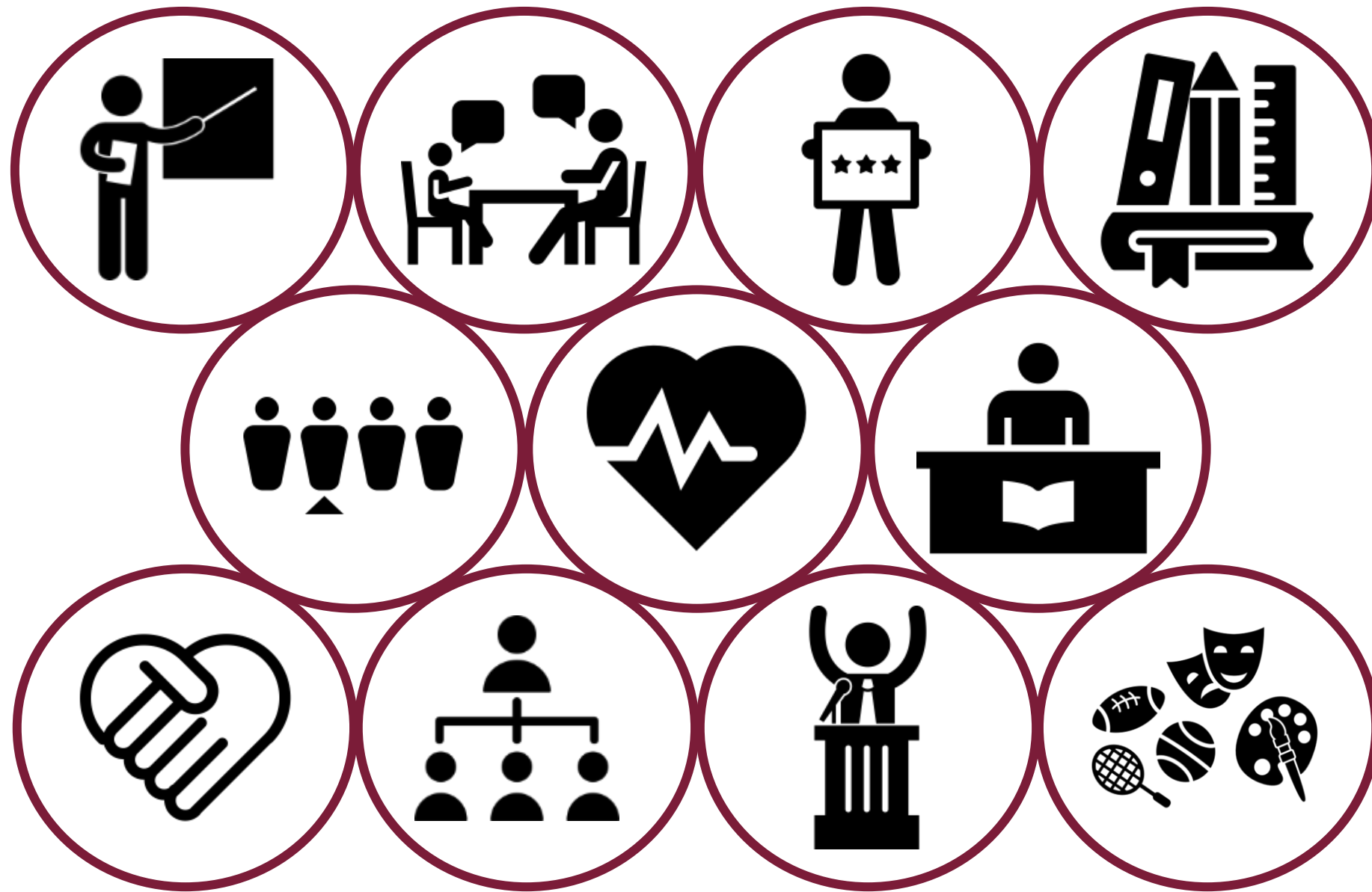


No California public pension system participation



Not performing CalSTRS covered activities

Retired DB Member and CB Participant Activities





Impacts of Working After Retirement

Impacts of Working After Retirement

	Defined Benefit	Cash Balance
1. Do not pay CalSTRS contributions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2. Do not earn additional CalSTRS benefits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3. Do not make more or less than employees performing similar duties	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Impacts of Working After Retirement

**Defined
Benefit**

**Cash
Balance**

4. Separation-from-Service Requirement



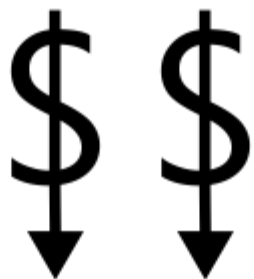
Separation-from-Service Requirement



CalSTRS retirees must have a bona fide separation from service before performing retired member activities



Separation-from-service period is defined to be 180 days



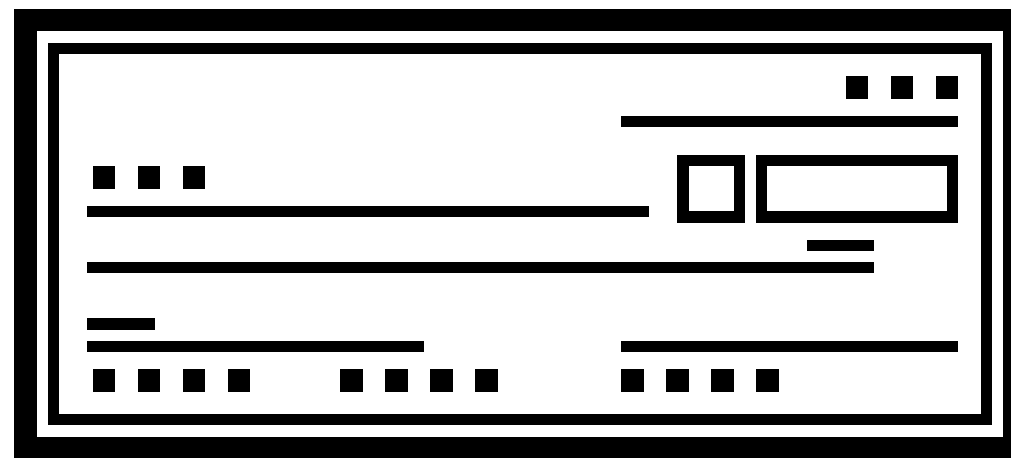
Benefits will be impacted

Separation-from-Service Requirement – All DB Benefits and CB Annuities

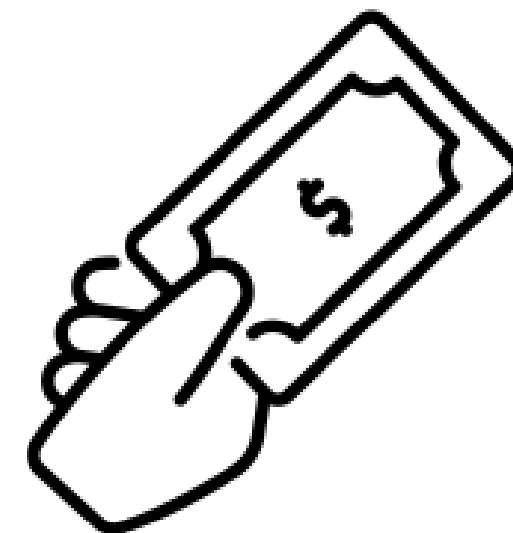
Benefits are reduced



\$6,000 per month
retirement check



\$8,000 pay check



\$8,000 collection

Separation-from-Service Requirement – CB Lump-Sum Payments

Benefits are canceled



Lump-sum Cash Balance payments are not paid until 180 days after termination

Lump-sum Cash Balance payments will be canceled if the retiree earns compensation for performing Creditable Service

Impacts of Working After Retirement

**Defined
Benefit**

**Cash
Balance**

4. Separation-from-Service requirement



5. Separation-from-Service exemption



Separation-from-Service Exemption



Separation-From-Service Requirement Exemption (SR 1897) form
Secure Employer Website – Reference Items



Employer Information Circular Volume 32 Issue 3



All earnings made in the first 180 days are subject to the annual earnings limitation for retired CalSTRS DB members

Impacts of Working After Retirement

	Defined Benefit	Cash Balance
4. Separation-from-Service requirement	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5. Separation-from-Service exemption	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
6. Annual Earnings Limitation	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Annual Earnings Limitation



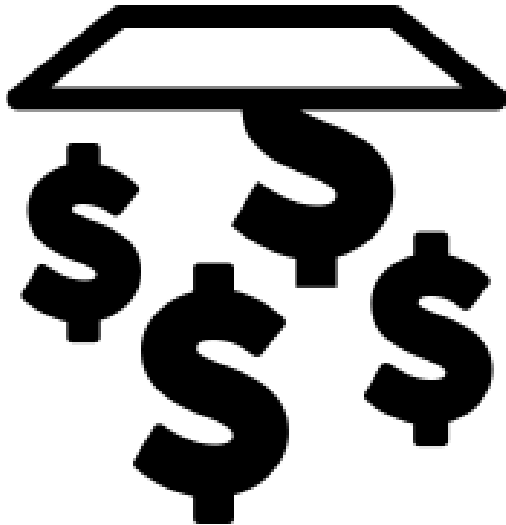
After 180-day separation

+



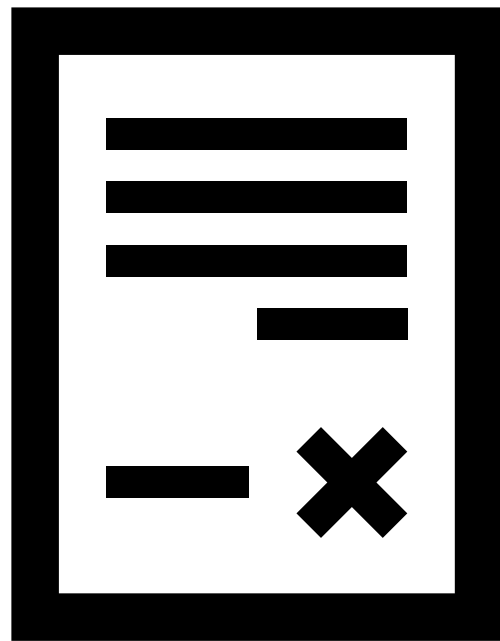
Compensation for performing retired member activities

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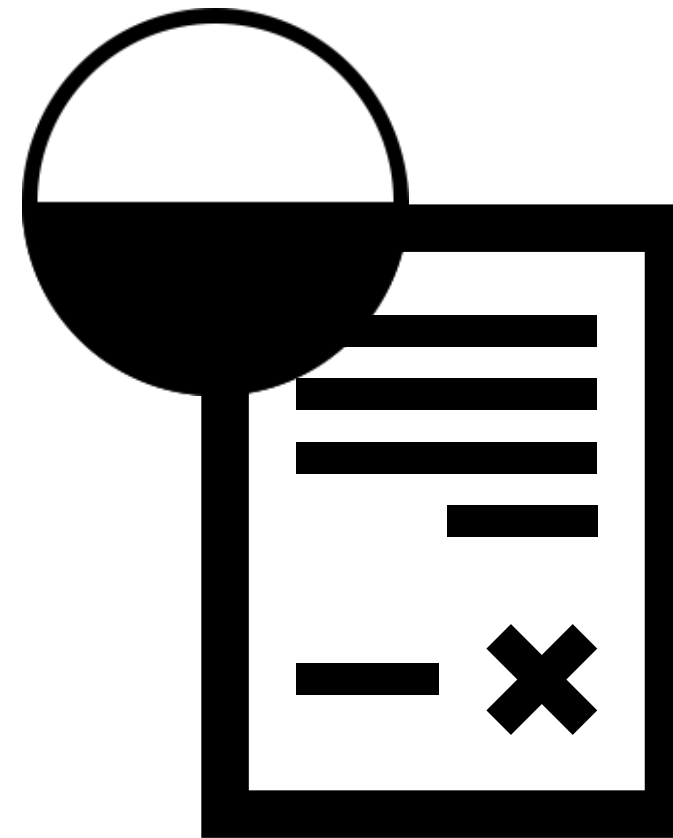


Earn up to the annual earnings limit without reduction

Annual Earnings Limitation

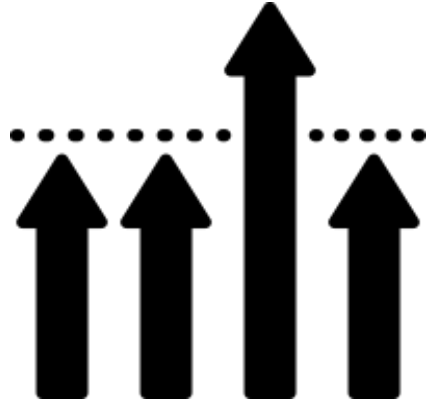


Initial Postretirement
Earnings Letter



Postretirement Mid-limit Letter
at earnings halfway point

Exceeding the Annual Earnings Limitation



If compensation for performing retired member activities exceeds the annual limit



Excess earnings are collected from monthly retirement check

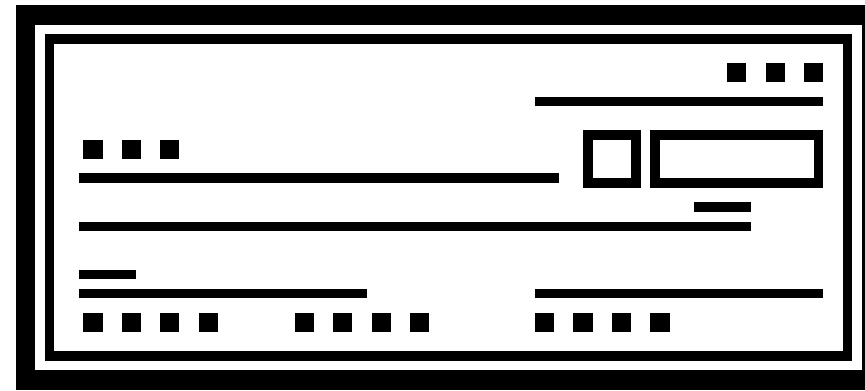


There is no exemption from this limitation

Exceeding the Annual Earnings Limit



In fiscal year 2017-18
the earnings limit was
\$43,755



Ms. Gellar earned
\$45,000 for performing
retired member activities



CalSTRS collected
\$1,245 from Ms. Gellar's
retirement check

Impacts of Working After Retirement

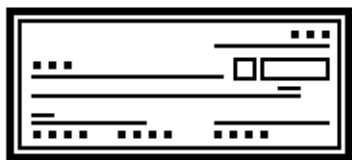
	Defined Benefit	Cash Balance
4. Separation-from-Service requirement	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5. Separation-from-Service exemption	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
6. Annual Earnings Limitation	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Loss of two years of service credit from the CalSTRS Retirement Incentive Program	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Loss of Two Years of Service Credit from the CalSTRS Retirement Incentive Program

CalSTRS Retirement Incentive Program participants will lose the two-year service credit incentive if any of the following take place:



They take *any* job with the employer that offered the incentive within five years of retirement



They receive unemployment benefits within one year of their retirement date



They reinstate to active CalSTRS membership



Employer Responsibilities

Employer Responsibilities



Advise employees of restrictions and limitations



Maintain records and report monthly earnings to CalSTRS



Inform retirees of the amount of monthly earnings reported to CalSTRS

Things to consider...



- Are they performing retired member or participant activities?
- Are they within the Separation-from-Service timeframe? Or are they exempt?
- Will they earn more than the Annual Earnings Limitation for the year?
- Do you have internal procedures to track and report retirees to CalSTRS and retirees?

Questions?

Exemptions and Limitations



Postretirement@CalSTRS.com

Retired Member and Participant Activities



EmployerHelp@CalSTRS.com



Secure Employer Messaging



877-277-5778