



March 27, 2001

**TO:** All County Superintendents of Schools  
District Superintendents of Schools  
Community College Districts and  
Other Employing Agencies

**SUBJECT:** Employer Directive 2001-02  
Exemptions to the California State Teachers' Retirement System (CalSTRS)  
Earnings Limitation for Retired Members Employed to Teach in Grades K – 12 or  
Participating in Teacher Preparation Programs; Senate Bill (SB) 1666 (Chapter  
70, Statutes of 2000)  
(Supersedes: Administrative Directive 99-06)

### **PURPOSE**

The purpose of this employer directive is to inform employers of the recent statutory changes that exempt a member who retired for service with an effective date on or before January 1, 2000, and is temporarily employed to provide direct classroom instruction to pupils in Grades Kindergarten through 12 or participate in specific teacher preparation programs.

SB 1666 allows school districts and county offices of education to request an exemption from the post-retirement earnings limitation for qualified members who retired for service on and after July 1, 2000, through the duration of the contract or June 30, 2005, whichever occurs first. These exemption provisions will sunset on June 30, 2005, unless a later enacted statute deletes or extends that date.

### **SCOPE**

This directive provides direction to the school districts and county offices of education that request an exemption from the CalSTRS post-retirement earnings limitation for members retired for service on or before January 1, 2000, who are employed to provide direct classroom instruction in Grades Kindergarten through 12 or provide support to specific teacher preparation programs. The law does not apply to service performed for a community college district.

## **OVERVIEW**

Under previous law, members retired for service on or before July 1, 1998, could be granted an exemption from the post-retirement earnings limitation for providing direct instruction to pupils as a direct result of the Class Size Reduction Program.

Implementation of SB 1666 allows members who retired for service on or before January 1, 2000, to be exempt from the post-retirement earnings limitation if they provide direct classroom instruction to pupils enrolled in Grades Kindergarten through 12 or participate in specific teacher preparation programs.

Retired members may qualify for exemption from the post-retirement earnings limitation under Education Code Sections 24214(e), 24216, 24216.5 or 24216.6. For eligibility criteria, please refer to the matrix that was included with this and other related employer directives. Information is also available on CalSTRS website, [www.calstrs.ca.gov](http://www.calstrs.ca.gov).

## **DISCUSSION**

This legislation allows school districts to request an exemption from the post-retirement earnings limitation for qualified retired members if the following requirements are met:

The member retired for service with an effective date on or before January 1, 2000, and is temporarily employed by a school district to provide any of the following:

- Direct classroom instruction to students in Grades Kindergarten through 12. This includes teachers or instructors employed in the instructional program for pupils in Grades Kindergarten through 12, including special programs such as adult education and regional occupation programs.
- Support and assessment for new teachers through the Beginning Teacher Support and Assessment (BTSA) program;
- Support to individuals completing student teaching assignments; or
- Support to individuals participating in the following programs:
  1. Pre-Internship Teaching Program authorized pursuant to Article 5.6 of Chapter 2 of Part 25.
  2. Alternative certification programs authorized pursuant to Article 11 of Chapter 2 of Part 25.
  3. School Paraprofessional Teacher Training Program established pursuant to Article 12 of Chapter 2 of Part 25.

The following conditions apply to the exemption:

- All members retired for service whose employment with a school district meets the specified conditions shall be treated as a distinct class of temporary employees within the existing bargaining unit.
- The rate of pay for service performed shall be the rate established in accordance with Education Code Section 24214 and agreed to in the collective bargaining agreement between the employer and the exclusive representative for employees of the school district.

The school district or county office of education that employs a member who retired for service shall maintain accurate records of the retired member's compensation earned and report that compensation monthly to CalSTRS. The employer will use Member Code 2 and Assignment Code 63, regardless of the method of payment or the source of funds from which the compensation is paid.

### **ACTION**

CalSTRS requires the school districts to certify that the criteria for exemption from Education Code Section 24214 have been met by:

- Completing and certifying the 'Exemption Certification for Teacher Recruitment' (Form SR 0126 [New: 12/00]). **Please make copies of the original form attached to this employer directive.**
- Providing each exempt retired member with the completed form (SR 0126) for his/her signature to certify that he/she has read and understood the terms and conditions of exemption from post-retirement earnings limitation under SB 1666. (Referred to in this directive as the Teacher Recruitment Program.)
- Submitting the completed and signed form (SR 0126) to CalSTRS.

### **ACCOUNTABILITY**

All information received is subject to audit by CalSTRS pursuant to Education Code Section 22206. Exemptions for the Teacher Recruitment Program are based on the employer certification submitted to CalSTRS. It is the employer's responsibility to retain all supporting documentation for hiring each person exempt under the Teacher Recruitment Program. If the district is found to have incorrectly certified a retired member as exempt under the Teacher Recruitment Program, post-retirement earnings in excess of the annual limit will be collected from the retired member. The amount of the reduction may be equal to the monthly allowance payable but shall not exceed the amount of the annual allowance payable for the fiscal year in which the excess compensation was earned. For this reason, CalSTRS requires form SR 0126 to be completed and signed by the district superintendent and the exempt member.

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If a retired member's allowance is withheld because she/he has exceeded the earnings limitation and CalSTRS subsequently receives the employer's certification that the employment of that member was exempt due to employment in the Teacher Recruitment Program, the amount withheld will be refunded to the member.

If you have any questions, please contact the Benefit Adjustments Unit of CalSTRS at (916) 229-4664.

JAMES D. MOSMAN  
Chief Executive Officer

Attachments

# 1234

**EXEMPTION CERTIFICATION FOR TEACHER RECRUITMENT  
SR 0126 (New 12/00)**

**California State Teachers' Retirement System  
Service Retirements Division, MS 70**  
7667 Folsom Boulevard, Post Office Box 15275  
Sacramento, CA 95851-0275  
Toll Free: 1-800-228-5453 / TDD: (916) 229-3541

**PLEASE MAIL THE ORIGINAL FORM TO CALSTRS AFTER COMPLETION OF CERTIFICATION**

**EXPLANATION OF TERMS AND CONDITIONS FOR EXEMPTION FROM THE POST-RETIREMENT  
EARNINGS LIMITATION UNDER THE TEACHER RECRUITMENT PROGRAM (SB 1666)**

**The following terms and conditions must be satisfied in order for members to qualify for, and school districts to request an exemption from the post-retirement earnings limitation set forth in Education Code Section 24214.**

The member, retired for service with an effective date on or before January 1, 2000, is temporarily employed by a school district to provide any of the following:

1. Direct classroom instruction to students in Grades Kindergarten through 12.
2. Support and assessment for new teachers through the Beginning Teacher Support and Assessment program.
3. Support to individuals completing student teaching assignments.
4. Support to individuals participating in the following programs:
  - Pre-Internship Teaching Program authorized pursuant to Article 5.6 of Chapter 2 of Part 25.
  - Alternative certification programs authorized pursuant to Article 11 of Chapter 2 of Part 25.
  - School Paraprofessional Teacher Training Program established pursuant to Article 12 of Chapter 2 or Part 25.

I hereby certify that I have read the above requirements. I understand that: (1) my employment meets the objectives of the Teacher Recruitment Program, (2) my service is exempt from the post-retirement earnings limitation for the period specified by my employer, and (3) that the exemption in no way precludes CalSTRS from performing an audit of my district's records. If CalSTRS finds the exemption is incorrectly certified under the Teacher Recruitment Program, my retirement allowance shall be reduced dollar-for-dollar by the amount of earnings in excess of the post-retirement earnings limitation.

MEMBER NAME:	MEMBER SIGNATURE:	DATE:
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I hereby certify under penalty of perjury under the laws of the State of California that: (1) the exemption for the member listed below is in accordance with the provisions of Education Code Section 24216.5; and (2) the district shall maintain accurate records of the retired member's compensation earned and report that compensation monthly to CalSTRS as Member Code 2 and Assignment Code 63, regardless of the method of payment or the source of funds from which the compensation is paid. I understand that this certification in no way precludes CalSTRS from performing an audit of our district's records. If CalSTRS finds the employee has been incorrectly certified as exempt under the Teacher Recruitment Program, current law requires that the member be subject to the earnings limitation for all creditable service.

MEMBER NAME:	MEMBER SSN:	POSITION:	EXEMPTION DATE: (FROM & TO)	
DISTRICT NAME	DISTRICT CODE	COUNTY NAME		COUNTY CODE
DISTRICT SUPERINTENDENT'S NAME:	SUPERINTENDENT'S SIGNATURE		DATE:	