

Employer Information Circular

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ED 2003-06 Retirement Incentive Program CLARIFICATION

Restriction on post-retirement employment

The purpose of this circular is to inform employers of a clarification in Employer Directive 2003-06 *Retirement Incentive Programs* dated December 30, 2003. Please refer to the section “Restriction on post-retirement employment” on page seven that covers scenarios under which a CalSTRS member who retires with either retirement incentive program would forfeit the benefit increase by returning to work. The information included in the directive is accurate but did not cover all the possible scenarios.

A CalSTRS member who retires from a K-12 school district, Community College or County Office of Education with either retirement incentive program may return to post-retirement employment in a Community College or County Office of Education immediately. However, no CalSTRS member who receives either retirement incentive may return to post-retirement employment in a K-12 school district until:

- One year after his or her retirement date, or
- Five years after his or her retirement date if returning to work for the same K-12 school district that provided the incentive.

The prohibitions on reinstating to active CalSTRS membership or receiving unemployment insurance, as outlined in the earlier directive, still apply, regardless of where the member worked prior to retirement or where the member returns to work after reinstating.

While it was the intent of the Legislature to apply the restrictions to K-12 school districts, County Offices of Education, and Community Colleges the actual language in the law requires us to apply the post-retirement employment restrictions narrowly. This distinction in K-12 school district employment may ultimately be resolved in future legislation and you will be informed of any change in another circular or directive.