

## Appendix I - ELIGIBILITY REQUIREMENTS BEFORE HIRING A RETIREE:

**BONA FIDE SEPARATION IN SERVICE REQUIREMENT:** All Retirees: If a retiree is under normal retirement age at retirement, he or she cannot be hired for post-retirement employment without a bona fide separation from employment. The normal retirement age is the highest benefit formula age, e.g., age 55 for the 2% @ 55 formula. If there is more than one formula applicable to the retirement, e.g., the allowance has service based on both the 2% @ 55 and the 2% at 60 formula, the normal retirement age is the highest benefit formula age, or age 60, in this example.

A bona fide separation must meet both of the following conditions:

- There is no pre-determined agreement: Prior to retirement, there was no agreement, written or verbal, between the employer and the member to work after retirement.
- There is a 60 day separation from employment: There is a period of 60 calendar days between the retirement date and the post-retirement employment date. This requirement is a federal tax law and we, CalPERS, must comply with it to maintain our tax-deferred status.

**UNEMPLOYMENT INSURANCE PAYMENT QUALIFICATION:** Upon accepting an offer of employment, every retiree must certify in writing to the employer that he or she did not receive any unemployment insurance payments within the 12 months prior to this appointment for previous retired annuitant work with any CalPERS employer.

**180 DAY WAIT PERIOD BETWEEN RETIREMENT DATE & HIRE DATE:** All retirees must wait 180 days after their retirement date before he or she is eligible to begin post-retirement employment. This means a retiree cannot begin employment until the 181st day after his or her retirement date.

**LIMITED DURATION WORK & RETIREE SKILLS:** A CalPERS retiree can be appointed by the appointing power of the employer without reinstatement or loss of retirement benefits either during an emergency to prevent stoppage of public business or because the retiree has skills needed to perform work of limited duration. Since emergencies, e.g., disasters such as floods or earthquakes, etc., that would cause actual stoppage of public business are rare, these appointments are generally those requiring skills needed to perform work of limited duration. There should be some showing in the retiree's work history that he or she has previous experience and the skill set needed to perform the desired work.

- Is this a limited duration position, e.g., extra help work such as elimination of a backlog, work on a special project, or work in excess of what your permanent or regular staff employees can do and, it is not a permanent or regular staff position?
- Retiree Skills: Is there some showing in the retiree's work history that he or she has previous experience and the skill set needed to perform the required work?

**960 HOUR LIMIT PER FISCAL YEAR:** A retiree is limited to working a maximum of 960 hours per fiscal year for all CalPERS employers. There is no exception to this limit. Retirees can be employed for more than one fiscal year as long as the employment continues to meet all of the requirements otherwise. CSU academic retirees are limited to 960 hours per fiscal year or 50% of the hours employed during the last fiscal year of service prior to retirement, whichever is less. There is no exception to this limit.

**RATE OF PAY REQUIREMENT:** The compensation paid to any retiree must be within the monthly rate of pay range, i.e., cannot be less than the minimum nor exceed the maximum monthly base salary, paid to other employees performing comparable duties, divided by 173.333 hours to equal an hourly rate. No other benefit, incentive, compensation in lieu of benefits, or other form of compensation can be paid in addition to this hourly pay rate.