



# CALIFORNIA STATE UNIVERSITY, LONG BEACH

## Employment After Retirement with a CalPERS Covered Employer

### Quick Reference for Employees

Your CalPERS retirement is a tax-qualified pension plan under Section 401(a) of the Internal Revenue Code (IRC) and, as such, it must comply with the requirements of this section to maintain its tax-exempt status. Government Code provisions permit former CSU academic and staff/management employees who retire and receive retirement benefits from CalPERS to accept limited CSU employment without jeopardizing retirement benefits or requiring reinstatement from retirement.

#### Staff/Management Guidelines for Rehired Annuitants

- **Purpose for Rehire:**  
Appointments must be for:
  - Work requiring specialized skills for a **limited** duration, or
  - An emergency to prevent stoppage of public business (*GC 21229*)
- **Work Limitations:**  
A retired annuitant cannot exceed, in a fiscal year, a total of 960 hours for all CalPERS' employers (*GC 21299*). It is the retiree's responsibility to monitor hours of work.\*
- **Special limitation for retirees under age 55:**  
A member who retired prior to age 55, must have a break in service of at least 60 calendar days prior to returning to employment as a rehired annuitant. Additionally, there must be no agreement (either verbal or written) to return to employment between the member and a CalPERS employer prior to retirement. (*GC 21200.5*). \*\*

#### Academic Guidelines for Rehired Annuitants

- **Purpose for Rehire and Work Limitations:**  
The employment in an academic assignment may not exceed 960 hours or 50 percent of the hours the member was employed during the last fiscal year prior to retirement, **whichever is less** (*GC 21227*) for all CalPERS' employers. 960 hours is the equivalent of 120 academic workdays. FERP employment is limited to 90 days (720 hours) or 50 percent of the employee's regular time base in the year preceding retirement. It is the retiree's responsibility to monitor hours of work.\*
- **FERP Appointments:**  
Review Article 29 of the Unit 3 Collective Bargaining Agreement (available at [http://www.calstate.edu/LaborRel/Contracts\\_HTML/CFA\\_CONTRACT/article29.shtml](http://www.calstate.edu/LaborRel/Contracts_HTML/CFA_CONTRACT/article29.shtml)).
- **Special limitation for retirees under age 55:**  
A member who retired prior to age 55, must have a break in service of at least 60 calendar days prior to returning to employment as a rehired annuitant. Additionally, there must be no agreement (either verbal or written) to return to employment between the member and CalPERS employer prior to retirement. (*GC 21220.5*). \*\*

**Unemployment Benefits:** A retiree who collects unemployment benefits based on separation from a retired annuitant position (faculty or staff) must be excluded from hire with the same employer for a 12 month period.

**Leave Benefits:** Rehired Annuitants are **not** eligible to accrue or use sick leave (FERP participants are an exception), nor can they earn vacation or other leave benefits, or be entitled to holiday pay, including personal holiday.

**Tax Sheltered Annuity [403(b)] Deductions:** Rehired Annuitants are eligible to contribute to the 403(b) program. A new enrollment request must be submitted each time you are hired or re-hired to a CSU position. The first contribution to your 403(b) account will be determined by the date you complete your request.

**\*Penalties for Exceeding Restrictions:** If CalPERS determines the employment of a rehired annuitant does not comply with the restrictions above, the rehired annuitant may be subject to penalties which may include *reinstatement retroactive to when the employment began and must reimburse CalPERS for all retirement allowances received during the unlawful employment*.

**\*\*Emergency Hiring Exceptions:** Allows for immediate employment of a retired member under normal retirement age for emergency situations as defined by Government Code Section 8558.

*Post Retirement CSU compensation is subject to federal, state and Medicare taxation. Law excludes CSU compensation from Social Security taxation for rehired annuitants receiving retirement benefits through CalPERS.*