MIDDLETOWN UNIFIED SCHOOL DISTRICT

Regulation 4317.14: Postretirement Employment

Original Adopted Date: 1/17/2024

When necessary, the Governing Board may hire a qualified retired certificated individual who possesses the knowledge and experience needed to perform creditable service for the district as an employee, the employee of a third party, or an independent contractor/consultant, provided that all applicable restrictions specified by the California State Teachers' Retirement System (CalSTRS) are met. Applicable CalSTRS restrictions include, but are not limited to, a requirement that a retired member be paid compensation comparable to that for active employees for comparable duties and prohibitions against the hiring of a retired member within 180 days of his/her retirement and for the classified service, except as an aide pursuant to Education Code 45134. Additional restrictions and rules may apply to other employment situations, such as when CalSTRS retired members are employed as employees of third parties, independent contractors, or consultants. The Superintendent or designee should consult legal counsel when dealing with such employment situations. (Education Code 22119.5, 22164.5, 24214, 24214.5)

Any retired member of the defined benefit program of CalSTRS who is hired by the district to perform retired member activities as defined pursuant to Education Code 22164.5 shall be paid at an annualized rate of pay that shall not be below the minimum or exceed the maximum paid to other district employees performing comparable duties. However, such a retired individual shall not make contributions to the CalSTRS retirement fund or accrue service credit based on compensation earned from the retired member activity. (Education Code 24214)

No retired member of the CalSTRS defined benefit program shall be hired by the district for at least 180 calendar days after his/her retirement from service, unless he/she has attained the normal retirement age and qualifies for an exemption to the 180-day waiting period. To seek this exemption, the Board shall, during the open session of a Board meeting, adopt a resolution which shall include the following information and findings: (Education Code 24214.5)

1. A statement expressing the Board's intent to seek an exemption to the 180-day waiting period

2. A description of the nature of the employment of the retiree

3. A finding that the retiree has reached the normal retirement age

4. A finding that the appointment of the retiree is necessary to fill a critically needed position before the 180-day waiting period has passed

5. A finding that the retired individual did not receive additional service credit pursuant to Education Code 22714 or 22715 or any financial inducement to retire. Financial inducement to retire shall include, but is not limited to, cash or any form of compensation or other payment directly or indirectly paid by any public employer to the retired individual before or after his/her retirement, if the individual retires for service on or before a specific date or range of dates established by the public employer on or before the date the inducement is offered

6. A finding that the retired individual's termination of employment with the district is not the basis for the need to acquire the services of the retired individual

The resolution shall not be adopted through the Board's consent agenda. (Education Code 24214.5)

When employing a retired individual who is eligible for exemption from the 180-day waiting period, the Superintendent or designee shall submit all required documentation to substantiate eligibility for the exemption to CalSTRS before the retired member begins performing any retired member activities. The Superintendent or designee may contact

CalSTRS to request information as to whether the retired member qualifies for the exemption after 30 days of submitting the required documentation to CalSTRS. (Education Code 24214.5)

Postretirement Compensation Limitation, Notice, and Report

All CalSTRS retirees performing creditable service for the district shall be subject to the applicable CalSTRS earnings limit. Monies earned in excess of the limit may subject the CalSTRS retiree to a reduction in his/her retirement allowance. Compensation subject to the earnings limitation includes, but is not limited to, salary or wages, deferred compensation plans, purchase of an annuity contract, tax-deferred retirement plan or insurance program, and other plans or contributions when the cost is covered by a district. (Education Code 22119.5, 22164.5, 24214)

Whenever the district retains the services of a CalSTRS retiree as a district employee, employee of a third party, or an independent contractor, the Superintendent or designee shall: (Education Code 22461, 24214)

1. Advise the retired individual of the postretirement earnings limitation or employment restriction set forth in Education Code 22714, 24214, or 24214.5 or any other applicable law

2. Maintain accurate records of the retired individual's compensation and report it monthly to CalSTRS and the individual, regardless of the method of payment or the fund from which the payments are made

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Policy Reference Disclaimer:
These references are not intended to be part of the policy itself, nor do they indicate the basis or authority for the board to enact this policy. Instead, they are provided as additional resources for those interested in the subject matter of the policy.

State	Description
5 CCR 27000-27009	Penalties and interests for late remittances and late and unacceptable reporting by employers
Ed. Code 22119.5	Creditable service; definition
Ed. Code 22131	Employer; employing agency, definition
Ed. Code 22164.5	Retired member activities; definition
Ed. Code 22461	Postretirement compensation limitation
Ed. Code 22714	Service credit under STRS; additional two years
Ed. Code 22715	Additional service credit
Ed. Code 22716	Unpaid services

Ed. Code 24214	Creditable service by retiree
Ed. Code 24214.5	Postretirement compensation limit; members below normal retirement age
Ed. Code 26113	Creditable service; definition
Ed. Code 35046	Consultancy contracts
Ed. Code 44830	Employment of certificated persons
Ed. Code 44830.3	Employing district interns
Ed. Code 44929	Service credit under STRS; additional two years
Ed. Code 44929.1	2+2 service and year credit option under STRS
Ed. Code 45134	Age limits

Management Resources	**Description**
Website	CSBA District and County Office of Education Legal Services
Website	California State Teachers' Retirement System

Cross References

Code	**Description**
3600	Consultants
4111	Recruitment And Selection
4112	Appointment And Conditions Of Employment
4112.2	Certification
4112.2	Certification
4112.4	Health Examinations
4112.9	Employee Notifications
4112.9-E(1)	Employee Notifications
4121	Temporary/Substitute Personnel
4121	Temporary/Substitute Personnel
4211	Recruitment And Selection
4212.4	Health Examinations
4212.9	Employee Notifications
4212.9-E(1)	Employee Notifications
4312.4	Health Examinations
4312.9	Employee Notifications
4312.9-E(1)	Employee Notifications
9320	Meetings And Notices