Hiring a Retired Annuitant

A retired annuitant is a CalPERS retiree who returns to work for a CalPERS employer in a designated retired annuitant position without reinstating from retirement. Retired annuitant appointments are temporary and must comply with CalPERS post-retirement employment rules. CalPERS approval is not required for a retired annuitant appointment, but the employer and retiree are responsible for ensuring the appointment is lawful.

When a Retired Annuitant May Be Hired

A retired annuitant may be appointed only when one of the following applies:

- The appointment is needed during an emergency to prevent the stoppage of public business; or
- The retiree has specialized skills needed to perform work of limited duration.

Limited-duration work may include eliminating a backlog, completing a special project, or providing short-term support for work beyond what regular staff can reasonably complete. The department must be able to identify the specific work, expected duration, and projected completion date. When the limited-duration work is complete, the appointment must end. Retired annuitants may not be used as an ongoing or permanent staffing solution.

Key Requirements Before Hire

Before requesting approval, confirm that the appointment meets all applicable requirements.

1. **The Position Must Be a Retired Annuitant Appointment**

A retired annuitant may not be hired into a permanent or regular staff position, including part-time, seasonal, intermittent, “temporary,” exempt, or similar appointments. A service retiree hired into a regular staff position must reinstate from retirement.

2. **Bona Fide Separation, If Applicable**

If the retiree was younger than their CalPERS "normal retirement age" on their retirement date, they must meet the bona fide separation requirement before beginning retired annuitant employment. This means:

- There was no verbal or written agreement before retirement to return to work; and
- There is at least a 60-calendar-day separation between the retirement date and the first day of retired annuitant employment.

Normal retirement age is based on the retiree's CalPERS benefit formula, up to age 62.

3. **180-Day Wait Period**

A retiree generally may not begin retired annuitant employment until 180 days after their retirement date, unless an allowable exception applies. For CSU, participation in the Faculty Early Retirement Program (FERP) is one allowable exception. A retiree who received a Golden Handshake or other retirement incentive must wait the full 180 days and is not eligible for an exception.

4. **Work-Hour Limit**

A retired annuitant may work no more than 960 hours in a fiscal year, July 1 through June 30, across all CalPERS employers combined. There is no exception to this limit, and both the retiree and employer are responsible for tracking hours.

Hours are limited to 960 hours or 50% of the hours the member worked during the last fiscal year before retirement, whichever is less. For most AY faculty, the limit would be 15 WTU per academic year, which is 50% of their pre-retirement 30 WTU.

5. **Pay and Benefits Restrictions**

The retiree must be paid an hourly rate that is not less than the minimum and does not exceed the maximum paid to other employees performing comparable duties, based on the employer's publicly available pay schedule.

A retired annuitant may not receive benefits, incentives, compensation in lieu of benefits, or other compensation in addition to the hourly rate. Prohibited compensation includes items such as sick leave, vacation, holiday pay, shift differential pay, medical benefits, housing, or special compensation. Work-related reimbursements may be allowed when they are dollar-for-dollar and consistent with policy.

6. **No Retirement Contributions or Additional Service Credit**

No CalPERS retirement contributions are collected or paid for retired annuitant employment, and the retiree does not earn additional CalPERS service credit or retirement benefits from the appointment.

7. **Unemployment Insurance Certification**

A retiree cannot be reappointed as a retired annuitant if, within the 12 months before the appointment, they received unemployment insurance compensation based on prior retired annuitant employment with a public employer. The retiree must certify in writing that they comply with this requirement.

If it is later discovered that the retiree received unemployment insurance compensation during the restricted period, the appointment must end on the last day of the current pay period, and the retiree is not eligible for reappointment as a retired annuitant for 12 months after that termination date.

Approval Process

Departments must complete the Retired Annuitant Approval Form before hiring or appointing a retired annuitant. All sections of the form must be completed and include the appointment start date, end date, justification for the appointment, the emergency or specialized skills supporting the request, the operational impact if the retiree is not hired, and the steps being taken to meet any ongoing staffing needs. The form is initiated by the ASM and then routes to the appropriate administrator (e.g., dean) and retired annuitant, before routing to the AVPFA for approval.

All required approvals must be obtained before the appointment begins. Once approved, the completed form will be placed in the retired annuitants' Personnel Action File.

Additional Guidance

For more information, review:

- CalPERS Publication 33, *A Guide to CalPERS Employment After Retirement (PDF)*
- CalPERS *State Reference Guide*, "Employment of a Retiree"
- CalPERS *Public Agency & Schools Reference Guide*, "Employment of a Retiree"
- Government Code sections 7522.56, 21220, 21224, 21227, and 21229