

CountyWide Personnel Meeting AGENDA

Marin County Office of Education
Wednesday October 10, 2012
Foundation Room
8:30-10:00 a.m.

1. Introductions	
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2. Business Services <ul style="list-style-type: none">• Payhold Process Review• Pension Reforms: summary, impact to new employees, specific impact to PERS members and STRS members, Govt Code – CalPERS retirees, CalSTRS post retirement employment	KATE LANE Discussion/ Handouts: Payhold Process Pension Reform 2012 Pension Reform- New Employees PERS Reform Summary STRS Reform Summary CalPERS Retiree Gov't Code CalSTRS Post Employment Retirement
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3. Education Services <ul style="list-style-type: none">• Training Opportunities- Sexual Harassment , FRISK	LAURA TRAHAN Discussion: Website
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4. BTSA <ul style="list-style-type: none">• Participation numbers• BTSA Form review	BETH KRADEPOHL Discussion/ Handouts: BTSA form
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5. Legal Updates <ul style="list-style-type: none">• AB1203- Union leaves• AB1908- Classified Layoff notice- 60 days• Who will the 180 day "Sit Out" Requirement apply to?	TRACEE EDMUNDS Discussion/ Handout: Fiscal Reports
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6. QCC Training <ul style="list-style-type: none">• Importing Substitute data from District 98	TRACEE EDMUNDS Discussion/ Handout: QCC Substitute Import steps
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7. CTC's New Website (CWIP) update <ul style="list-style-type: none">• Review of new system- enhanced capabilities• Credentialing issues with renewals, tips for processing renewals on- line	TRACEE EDMUNDS Discussion/ Handout: CWIP Benefits Credential Renewal Tips
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8. CTC Assignment Monitoring Webcast <ul style="list-style-type: none">• Helpful data for all districts, especially those being monitored this year	TRACEE EDMUNDS Sign up
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9. CountyWide Substitute Status**TRACEE EDMUNDS****Discussion**

- As of October 8, we have 601 registered with 10+/- in the "pipeline"
 - Currently open to fully credentialed teachers, sub permit holders who had previously been on the countywide sub list, and substitute permit holders not previously on the list, but referred by a district administrator.
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10. Other Items- Roundtable Discussion**ALL**

Documents for Review

- Countywide Personnel Committee Contact list serve sheet
 - Countywide Substitute Teacher District Coordinator/Contact list serve sheet
 - Countywide Substitute Pay Rate and Sign Up Instruction sheet
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Future Meeting Dates

- **Wednesday, February 13, 2013**
 - **Wednesday, May 8, 2013**
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PAY HOLD PROCEDURES

Implementation of Ed Code 45034: "No order for a warrant, and no warrant drawn pursuant to section 42647, shall be drawn in favor of any person employed in a position requiring certification qualifications, unless such person is at the time the holder of a proper certification document in full force for the full time which the requisition or warrant, as the case may be, is drawn and on file or registered as required by law..."

5-10 days prior to final payroll and certification due to MCOE:

1. District Payroll runs CRD 132 report with payroll prelists
2. District Payroll/HR review names and identify causes for the exception with notations on the report (e.g., budget coding error, credential not on file, PEA not requiring credential, etc.) and correct as appropriate.

No less than two (2) days prior to final payroll and certification due to MCOE:

3. District HR communicates with MCOE Credentials Analyst any expired or unregistered credentials; provides backup documentation prior to any changes requested.
Note: No research is begun without District initiation.
4. Credentials Analyst researches and makes changes in the CR screen with proof of application, renewal or registration provided by the District, if applicable, and notifies District HR upon completion of updates and notifies MCOE Director of Personnel of any unresolved issues from this process.

Due day of final payroll and certification Submission Date to MCOE:

5. District signs off notated CRD 132 report and attaches as backup to their payroll certification and sends to COE External Business Services.

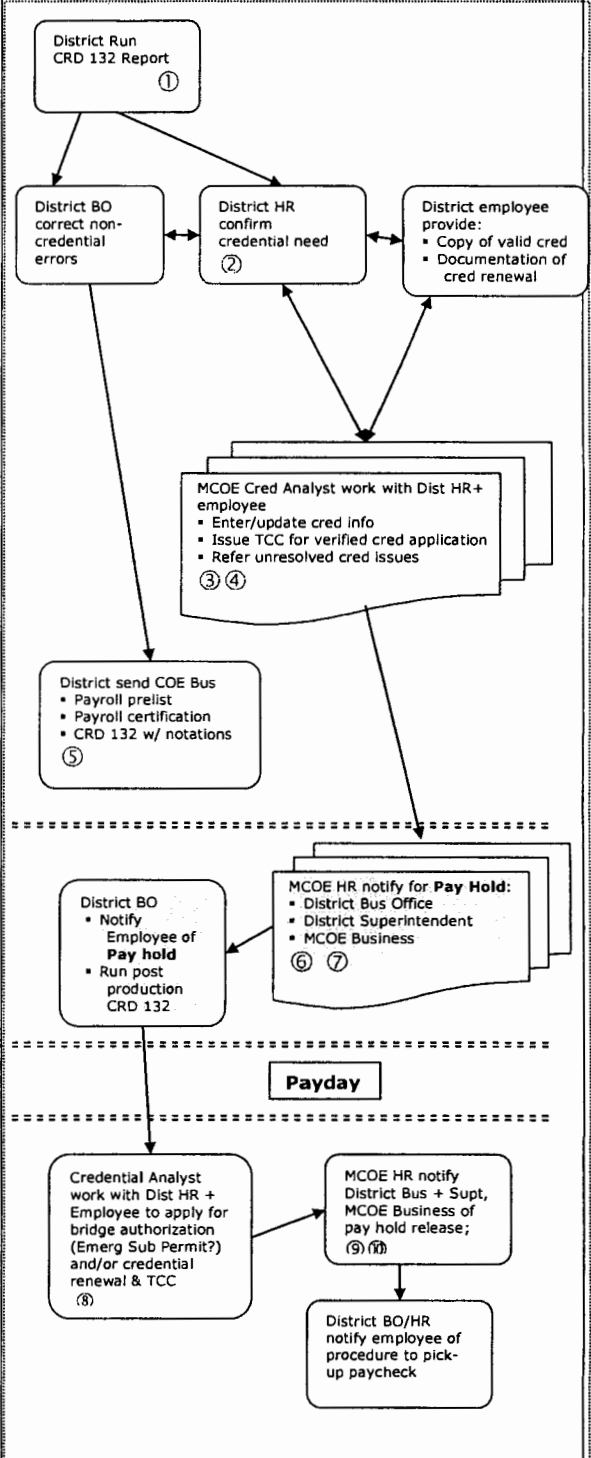
Payroll Processing date:
MCOE Information Services runs the Post Production CRD 132 and delivers to MCOE Business Services.

Prior to District Payroll pick up date/pay day:

6. MCOE Business/Personnel Directors notify District Business Office and District Superintendent of names of individuals with unresolved audit issues (PAY HOLD)
7. MCOE HR notify MCOE Business to initiate the protocol for Pay Hold of hard copy checks and/or automatic payroll deposits.

District Payroll pick-up less pay holds

8. MCOE Credential Analyst issues TCC upon receipt of all complete application materials (appl affidavit, fee, fingerprints) supporting issuance of credential.
9. MCOE Credential Analyst work with MCOE HR to notify MCOE + Dist BO's, + Dist Supt of Pay Hold release
10. District BO request hand warrant
11. Dist BO/HR notify employee of procedure to pick-up pay check



Pension Reform 2012

This document summarizes the changes that will occur as a result of AB340, the California Public Employees' Pension Reform Act of 2012, which goes into effect January 1, 2013.

New Members

- Employees who become 'new members' after January 1, 2013 will be subject to the new rules.¹
- The 'normal cost' of pensions is to be shared equally by employer and employee – 'normal cost' is determined by the pension system (PERS and STRS). Employers may not pay any portion of the Employee's contribution.² The PERS school employee contribution rate will not exceed 8% of pensionable earnings.³
- Cap on pensionable earnings of \$110,100 (\$132,120 if not participating in Social Security) within a calendar year.⁴ Cap is determined by CPI for all Urban Consumers and subject to change annually.⁵
- Prohibits a public employer from making contributions to any qualified retirement plan based on any portion of compensation that exceeds the limit.⁶
- Excludes allowances, bonuses and cash in lieu from pensionable earnings in regards to either PERS or STRS defined benefit plans.⁷
- Extends the final compensation period to three years regardless of years of service.⁸
- Increased retirement age and reduced benefit formula:
 - New Members of PERS: 2% at age 62. Eligible to retire at age 52 with 1% and with maximum formula of 2.5% at age 67.⁹ (Alternate formulas for safety employees).¹⁰
 - New Members of STRS: 2% at age 62. Eligible to retire at age 55 with 1.16% and with a maximum formula of 2.4% at age 65.¹¹

Existing Members:

- The 'normal cost' of pensions is to be shared equally by employer and employee – 'normal cost' is determined by the pension system. Employers may not pay any portion of the Employee's contribution. Public employers have until December 31, 2017 to negotiate any necessary change to reach this requirement. Absent any successful negotiations, an employer may unilaterally

¹ Gov Code Sections 7522.02(b) and 7522.04(f)

² Gov Code Section 7522.30(a)

³ Gov Code Section 20516.5(b)

⁴ Gov Code Section 7522.10(c)

⁵ Gov Code Section 7522.10(d)

⁶ Gov Code Section 7522.42(c)

⁷ Gov Code Section 7522.34(c)

⁸ Gov Code Section 7522.32(a)

⁹ Gov Code Section 7522.20(a)

¹⁰ Gov Code Section 7522.25

¹¹ Gov Code Section 7522.20(c) and Ed Code Section 24202.6

impose the cost sharing provision effective January 1, 2018. The school employee contribution rate will not exceed 8% of pensionable earnings.

- No longer ANY exception to PERS retired annuitant earnings limitation of 960 hours.¹²
- Pay rate may not be below minimum or above maximum for similar work on a published salary schedule (PERS already has this rule, it will now apply to STRS as well).¹³
- AB178 exception for Assigned Trustee Administrators, Fiscal Advisors and Fiscal Experts still stands.

All Members Effective January 1, 2013

- Prohibits purchase of airtime.¹⁴
- Prohibits pension holidays.¹⁵
- Additional restrictions on Retirees continuing to work:
 - 180 days sit-out period – all systems.¹⁶
 - Exceptions:
 - a. Board takes action to approve certification that nature of employment is critical to operations.¹⁷
 - b. Vacancy was not created by the employee's retirement (existing STRS law).
 - c. If took an early retirement incentive there will be NO exceptions to the 180 days sit-out period.¹⁸

Technical /QSS Issues

Implementation of the new rules embedded in the 2012 Pension Reform Act will require changes to QSS/QCC. We expect to be working closely with QSS over the next few months to ensure a smooth transition.

- January 1, 2013 effective date to implement the system for new hires.
- Creates new rules for all new hires.
- Will need to maintain old rules for all existing employees.
- Will need to differentiate new and old for both the STRS and PERS.
- Employer and employee rates in the old systems might be unique to each individual district as each district negotiates 50% cost sharing with employees.
- For purposes of generating service credit and reporting pay rate, system must report total earnings regardless of cap.

¹² Gov Code Section 7522.56(d)

¹³ Ed Code Section 24214(b)

¹⁴ Gov Code Section 7522.46(a)

¹⁵ Gov Code Section 7522.52

¹⁶ Gov Code Section 7522.56(f)

¹⁷ Gov Code Section 7522.56(g) and Ed Code Section 24214.5

¹⁸ Gov Code Section 7522.56(g) and Ed Code Section 24214(j)

Pension Reform 2012 – definition of a “New Member”

This document provides supplemental information regarding AB340, the California Public Employees’ Pension Reform Act of 2012, which goes into effect January 1, 2013.

A “New Member” is an individual who:

Becomes a member of any public retirement system with an effective date on or after January 1, 2013
AND was not a member of another public retirement system prior to January 1, 2013.¹

OR

Becomes a member of any public retirement system with an effective date on or after January 1, 2013
AND was a member of another public retirement system
BUT is NOT subject to reciprocity under the new employer’s retirement plan.²

OR

Was an active member in a public retirement system
AND had a break in service of more than 6 months before returning to active membership status with a new employer,
UNLESS the change in employment is between one school employer and another.³

¹ Government Code Section 7522.04(f)(1)

² Government Code Section 7522.04(f)(2)

³ Government Code Section 7522.04(f)(3)



Preliminary Summary of Pension Reform Provisions

These preliminary comments of CaIPERS staff are based on its current understanding of AB 340 as set forth in Conference Report. These comments are not intended to address all issues that could arise if the bill becomes law.

Brief Summary	PROPOSED STATUTE	IMPACTS CURRENT MEMBERS	IMPACTS FUTURE MEMBERS												
<p>Reduced Benefit Formulas & Increased Retirement Ages Would create a new defined benefit formula of 2% at age 62 for all new non-safety employees with an early retirement age of 52 and a maximum benefit factor of 2.5% at age 67, and three new defined benefit formulas for safety public employees with a normal retirement age at 50 and a maximum retirement age at 57 as follows:</p> <table border="0" data-bbox="258 829 1140 954"> <tr> <td></td> <td>Normal Ret Age</td> <td>Maximum Benefit Factor</td> </tr> <tr> <td>Basic Formula</td> <td>1.426% at Age 50</td> <td>2% at Age 57 and older</td> </tr> <tr> <td>Option Plan 1</td> <td>2% at Age 50</td> <td>2.5% at Age 57 and older</td> </tr> <tr> <td>Option Plan 2</td> <td>2% at Age 50</td> <td>2.7% at Age 57 and older</td> </tr> </table> <p>Also would require the formula offered be the closest to the formula presently offered to the same classification and that provides a lower benefit at 55 years of age.</p>		Normal Ret Age	Maximum Benefit Factor	Basic Formula	1.426% at Age 50	2% at Age 57 and older	Option Plan 1	2% at Age 50	2.5% at Age 57 and older	Option Plan 2	2% at Age 50	2.7% at Age 57 and older	<p>7522.10 7522.15 7522.20 7522.25</p>		<p>X</p>
	Normal Ret Age	Maximum Benefit Factor													
Basic Formula	1.426% at Age 50	2% at Age 57 and older													
Option Plan 1	2% at Age 50	2.5% at Age 57 and older													
Option Plan 2	2% at Age 50	2.7% at Age 57 and older													
<p>Cap Compensation that Counts Toward Pension Benefits Would cap the annual salary that counts towards final compensation for all new employees, excluding judges, at \$110,100 (2012 Social Security Contribution and Benefit Base) for employees that participate in Social Security or \$132,120 (120% of the Contribution and Benefit Base) for those employees that do not participate in Social Security. This compensation cap would adjust annually based on the CPI for All Urban Consumers.</p>	<p>7522.10</p>		<p>X</p>												
<p>Eliminate Replacement Benefit Plans Would prohibit a public employer from offering a plan of replacement benefits for new members whose retirement benefits are limited by IRC Section 415. Also would prohibit</p>	<p>7522.43</p>	<p>*</p>	<p>X</p>												

* Although these provisions would not impact current members directly, they would prohibit public employers from offering such a benefit or option to current members in the future.



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a public employer from offering a replacement benefit plan for any employee if the employer does not offer a plan of replacement benefits prior to January 1, 2013.			
Federal Compensation Limit for Determining Retirement Benefits (1) Would require all public retirement systems in California to adhere to the federal compensation limit when calculating retirement benefits for new members; and (2) would prohibit a public employer from making contributions to any qualified public retirement plan based on any portion of compensation that exceeds this limit. <i>(Note: CalPERS already adheres to the federal compensation limit)</i>	7522.42		X
Actuarially Reduced IDR Benefits for Public Safety Would allow a safety member, who qualifies for an IDR, to receive the greater of: 1) 50% of the member's final compensation plus any annuity purchased with his/her accumulated contributions, if any; 2) A service retirement, if the member qualifies for service retirement; or 3) An actuarially reduced retirement formula, as determined by the actuary, for each quarter year of service age less than age 50, if that amount would be higher than 50% of salary.	7522.66 21400	X	X
Equal Sharing of Normal Cost <ul style="list-style-type: none"> For new and current employees, the bill provides that "the standard shall be that employees pay at least 50% of the normal costs and that that employers not pay any of the required employee contribution." For new employees of contracting agencies and schools, the initial employee contribution rate may not be less than 50% of the total annual normal cost of pension benefits. 	7522.30 20516.5 20683.2	X	X

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<ul style="list-style-type: none"> For employees of contracting agencies and schools, the employer and employee organization may mutually agree to pay cost sharing agreement for pension benefits between January 1, 2013 and December 31, 2017. Beginning on January 1, 2018 the employer may unilaterally require employees to pay 50% of the total annual normal cost up to an 8% contribution rate for miscellaneous employees and an 11 or 12 percent contribution rate for safety employees. For state employees, contribution rates increase by a fixed percentage at specific dates beginning July 1, 2013. Rates increase and vary by bargaining unit and classification. 			
<p>Close LRS For New Members Would prohibit new members from participating in the LRS. However, new statewide constitutional and legislative statutory officers would still be eligible for optional membership in CalPERS.</p>	9355.4		X
<p>Equal Health Benefits and Health Benefit Vesting Schedule for Non-Represented and Represented Employees Would eliminate the ability of an employer to provide better health benefits or a better health benefit vesting schedule to non-represented employees than it does for represented employees.</p>	7522.40	X	X
<p>Prohibit Purchases of Airtime Would eliminate the ability of any public employee to purchase nonqualified service or "airtime," unless an official application was received by the system prior to January 1, 2013.</p>	7522.46	X	X



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Prohibit Retroactive Pension Increases Would prohibit public employers from granting retroactive pension benefit enhancements that would apply to service performed prior to the date of the enhancement. This would apply to current and future employees.	7522.44	X	X
Prohibit Pension Holiday Would require the combined employer and employee contributions, in any fiscal year, to cover that year's normal cost.	7522.52	X	X
Calculate Benefits Based on Regular or Base Pay to Stop Spiking: New Employees Would require that pensionable compensation for all new employees be defined as the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group for services rendered on a full-time basis during normal working hours, pursuant to a publicly available pay schedule. Would also exclude all bonuses, overtime, pay for additional services outside normal working hours, cash payouts for unused leave (vacation, annual, sick leave, CTO, etc.), severance pay and various other types of pay as specified. Also would exclude any compensation determined by the retirement board to have been paid to increase a member's retirement benefit and any other form of compensation determined to be inconsistent with the statutory definition.	7522.40		X
Require Three-Year Final Compensation Would require that final compensation for new employees of all California public agencies be defined as the highest average annual final compensation during a consecutive 36 month period, subject to the cap. Also would prohibit a public employer	7522.33	*	X

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Brief Summary	PROPOSED STATUTE	IMPACTS CURRENT MEMBERS	IMPACTS FUTURE MEMBERS
in the future from modifying a benefit plan to provide a final compensation period of less than a three year period for existing employees.			
Felons Forfeit Pension Benefits Would require both current and future public officials and employees to forfeit certain specified pension and related benefits if they are convicted of a felony in carrying out their official duties, in seeking an elected office or appointment, or in connection with obtaining salary or pension benefits, subject to certain requirements.	7522.70 7522.72 7522.74	X	X
Limit Post-Retirement Public Employment <ul style="list-style-type: none"> • Would limit all employees who retire from public service from working more than 960 hours or 120 days per year for any public employer in the same public retirement system without reinstating from retirement. • Would require a 180-day "sit-out" period before a retiree could return to work without reinstating from retirement except under certain circumstances. • Would require a 180-day "sit-out" period for retirees who received either a golden handshake or some other employer incentive to retire. • Would require a public retiree appointed to a full-time position on a state board or commission to suspend his or her retirement allowance and become a member of CalPERS. 	7522.56	X	X
Contracting Agency Liability for Excessive Compensation Would require CalPERS (for plans it administers) to define a "significant increase" in actuarial liability for a former employer caused by increased compensation paid to a nonrepresented employee by a subsequent public employer. Would also require	20791	X	X

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CaIPERS develop a plan to assess the cost of that excess liability to the employer who paid the excessive compensation and the provision would apply to any significant increase that is determined after January 1, 2013 regardless of when that increase occurred.			

* Although these provisions would not impact current members directly, they would prohibit public employers from offering such a benefit or option to current members in the future.

Summary of AB 340, the California Public Employees' Pension Reform Act of 2013 and its Impact on CalSTRS Members

Reform Title	AB 340	Impact on CalSTRS Members	Applies To:
1. Require Equal Sharing of Pension Costs	Requires new members to pay at least 50% of the normal, ongoing cost of benefits or the current contribution rate, whichever is greater.	Moderate. Current members pay 8% in contributions, equal to 44% of normal costs. Fifty percent of the estimated normal cost of the new plan is less than 8%. Therefore, the new member contribution rate will likely be 8%, according to preliminary estimates.	New members
2. Places a Cap on Compensation used to Calculate a Defined Benefit	Places a cap equal to 120% of the Social Security wage base on compensation earnable. The cap is adjusted each year based on changes to the Consumer Price Index for All Urban Consumers. An employer may provide a contribution to a defined contribution plan on compensation in excess of the cap.	Significant impact to a minimal number of members. The cap significantly affects members who earn above 120% of the Social Security wage base (or \$132,120 in 2012). Approximately 4,500 current members make more than that amount.	New members
3. Change Age Factors and Eliminate Career Factor	Changes the normal retirement age from 60 to 62 with a 2% age factor. Changes the maximum age factor from 2.4% at age 63 to 2.4% at age 65. Changes the age factor for early retirement at age 55 with five years of service from 1.4% to 1.16%. Eliminates the ability for members with 30 years of service to retire as early as age 50. Eliminates the career factor.	Significant impact to a significant number of members. Current normal retirement age is 60. Current maximum age factor is 2.4% at age 63. Actual average retirement age is about 62. Age factors will be lower for new members retiring before age 65. The current career factor applies to members with 30 or more years of service, which represents about 39% of recently retired members.	New members
4. Require Three-Year Final Compensation	Extends the final compensation period to three years for all new members, regardless of years of service.	Moderate impact to a significant number of members. Current members who retire with 25 years of service have their final compensation based on the highest 12 consecutive months of average annual compensation. Approximately 52% of recently retired members qualify for the one-year calculation.	New members
5. Eliminate Replacement Benefits Program	Limits benefits from the Defined Benefit Program to the federal 415 limit (\$171,202 at age 65 in 2012).	Significant impact to a minimal number of members. Federal law allows payment of benefits in excess of the 415 limit. There are 317 members currently receiving benefits under this provision.	New members

Reform Title	AB 340	Impact on CalSTRS Members	Applies To:
6. Calculate Benefits Based on Regular, Recurring Pay	Excludes allowances, bonuses and cash in lieu from the Defined Benefit Program.	Significant impact to a minimal number of members. Compensation related to "overtime" work, such as summer school or after school activities, is already not counted toward the Defined Benefit Program. Allowances (auto and housing), bonuses and cash in lieu no longer count toward any benefit for new members.	New members
7. Limit Post-Retirement Employment	Extends the \$0 earnings limit to all members during the first 180 days of retirement. Extends a very limited earnings limit exemption until June 30, 2014, and includes additional restrictions based on the receipt of retirement incentives.	Moderate impact to minimal number of members. Current earnings limit is \$40,011 in 2012-13, based on 50% of the median final compensation for recently retired members. Currently, members under age 60 are subject to a \$0 earnings limit during the first six months of retirement. Only 1,100 retired members, including those with prior exemptions, earned over the limit in 2010-11.	All (retired, current active and new members)
8. Felons Forfeit Pension Benefits	Requires that a member forfeit pension and related benefits if convicted of a felony in carrying out official duties, in seeking an elected office or appointment or in connection with obtaining salary or pension benefits.	Minimal. Only elected members currently have such forfeiture requirements, but felony convictions are very rare.	Current active and new members
9. Prohibit Retroactive Benefit Increases	Prohibits applying pension improvements to prior service.	No immediate impact. In the past, when pension benefits were improved, the improvement usually would apply to service that was performed in the past as well as future service.	All (retired, current active and new members)
10. Prohibit Pension Holidays	Prohibits all employers from suspending employer and/or employee contributions necessary to fund annual pension costs. Contributions may not be less than the normal cost.	Minimal. CalSTRS contributions are currently fixed in statute and cannot be reduced without legislation. The only reductions have been in 1998 and 2000 when the state reduced its contribution from 4.607% to the current level of 2.541%. However, since 2002 the contributions fixed in statute that are paid by the state (as plan sponsor) and the employers have been less than the amounts required actuarially to fund CalSTRS in full.	Current active and new members
11. Prohibit Purchase of Nonqualified Service	Prohibits the purchase of nonqualified service, or airtime, for requests submitted on or after January 1, 2013.	Moderate impact to minimal number of members. Current members may purchase up to five years of nonqualified service (as allowed by the IRS) and pay the entire cost based on the actuarial assumptions. About 700 members purchase this type of service each year.	Current active and new members

All changes are proposed to take effect January 1, 2013



Section 21224 of the Government Code is amended to read:

21224. (a) A retired person may serve without reinstatement from retirement or loss or interruption of benefits provided by this system upon appointment by the appointing power of a state agency or public agency employer either during an emergency to prevent stoppage of public business or because the retired person has specialized skills needed in performing work of limited duration. These appointments shall not exceed a combined total of 960 hours for all employers each fiscal year. **The compensation for the appointment shall not exceed the maximum monthly base salary paid to other employees performing comparable duties as listed on a publicly available pay schedule divided by 173.333 to equal an hourly rate. A retired person appointed pursuant to this section shall not receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the hourly pay rate.** A retired annuitant appointed pursuant to this section shall not work more than 960 hours each fiscal year regardless of whether he or she works for one or more employers.

(b) (1) This section shall not apply to any retired person otherwise eligible if during the 12-month period prior to an appointment described in this section the retired person received any unemployment insurance compensation arising out of prior employment subject to this section with the same employer.

(2) A retired person who accepts an appointment after receiving unemployment insurance compensation as described in this subdivision shall terminate that employment on the last day of the current pay period and shall not be eligible for reappointment subject to this section for a period of 12 months following the last day of employment. The retired person shall not be subject to Section 21202 or subdivision (b) of Section 21220.

Government Code 21224 is the common provision under which CalPERS retirees are allowed to return to work.

Effective July 1, 2012; SB 1021 takes effect immediately as a bill providing for appropriations related to the Budget Bill.

POST RETIREMENT EMPLOYMENT

Postretirement Earnings Limit Increases

Beginning July 1, 2012, the postretirement earnings limit for retired members increases from \$31,020 to \$40,011 for the 2012–13 fiscal year. In addition, the postretirement earnings limit formula is now based on one-half of the median final compensation for recently retired members instead of what was approximately one-half the average annual salaries of all active members.

Retired members who exceed the limit will have their retirement earnings reduced dollar for dollar for any amount earned in excess of the limit up to their annual benefit amount.

There is no change to the separation from service requirement limitation applicable to members under age 60 in the first six months after their most recent retirement or until they reach age 60, whichever comes first. Members who retire and return to work in CalSTRS-covered employment will have their retirement benefit reduced dollar for dollar, up to their annual benefit amount, for any compensation earned.

Exclusion When Working for a Third Party

As part of recent legislation, specific retired members who are employed by a third-party employer contracted to work with or performing services for a school district employer are excluded from the postretirement earnings limit if they meet all of the following criteria:

- The activities performed are on a limited-term basis,
- The retired member is employed by a third-party employer that does not participate in a California public pension system, and
- The activities performed are not normally performed by other employees of the school district employer.

Exemption When Working In Distressed Schools

For the 12 months beginning July 1, 2012, an existing narrow exemption previously available for specific, statutory appointments made by the State Superintendent of Public Instruction, the State Board of Education or a county superintendent of schools is extended and a similar exemption for appointment for specific statutory reasons by the Board of Governors of the California Community Colleges is established to assist schools that are in financial or academic distress as follows:

- Appointment by the State Superintendent as a trustee for a school district that has received an emergency apportionment. (Education Code §41320.1.)
- Appointment by a county superintendent as a fiscal adviser or fiscal expert for a school district that must revise its budget or that may or will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year(s). (Education Code §42127, 42127.6.)
- Appointment by the State Board of Education as a trustee or a receiver for a local educational agency that has been identified for corrective action under the federal No Child Left Behind Act of 2001. (Education Code §52055.57.)
- Appointment by the Board of Governors as a special trustee for a community college district that fails to achieve fiscal stability or that fails to comply with Board of Governors recommendations. (Education Code §84040.)

Before a retired member performs creditable service under these exemptions, the appointing authority must submit documentation to CALSTRS to substantiate the retired member's eligibility for the exemption.

The eligibility documentation must include certification that:

- The position was advertised to active or inactive members and no qualified person was available to be appointed.
- The appointing authority made a good faith effort to hire a retired member who would reinstate.
- The salary being paid does not exceed what was advertised or is currently paid for that position.

Reinstatement and Re-retirement

Members may terminate their retirement and resume working with no earnings limitations. If they do so, they may accrue additional retirement benefits depending on how long they perform service. CalSTRS encourages these members to meet with a CalSTRS benefits counselor before terminating retirement and returning to active membership.

Under recent legislation, reinstated members no longer need to wait one year to re-retire. Beginning July 17, 2012, members who terminate their retirement and reinstate may now re-retire within the same year. However, reinstated members must keep the same retirement option, beneficiaries or member-only benefit for one year.

Earnings Options

Members can still continue to receive their full CalSTRS retirement benefit, with no earnings limit, if they take a job outside of CalSTRS-covered employment. However, if a member belongs to another retirement system, he or she may be subject to additional earnings limitations under that system and depending upon the type of work performed.

Earning Reports

Retiree earnings reports are due to CalSTRS 30 days after the end of the pay period. CalSTRS sends two letters reminding retired members how close they are to the earnings limit. However, retirees should also track their earnings to prevent exceeding the limit. If members exceed the earnings limit, CalSTRS sends a letter informing them that the excess earnings will be deducted from their retirement benefit.

The FISCAL REPORT *an informational update*

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Volume 32

For Publication Date: October 12, 2012

No. 20

Employment Bills Signed by Governor

As expected, Governor Jerry Brown just signed two significant bills providing additional rights to employees of local educational agencies:

- Assembly Bill (AB) 1203 (Mendoza, D-Artesia) expands the paid leaves for officers of classified employee organizations to any classified employee for any reason when requested by the employee organization. The employee organization must provide reasonable notification to the school or community college district, as well as reimbursement for all compensation paid to the employee, but the employer must grant the leave if requested (for additional information, see "[Assembly Bill Expanding Classified Employee Organizational Leave Rights on Its Way to the Governor](#)," in the September 14, 2012, *Fiscal Report*).
- AB 1908 (Alejo, D-Salinas) increases the written notice requirement of 45 days to a classified employee of a school or community college district subject to layoff to not less than 60 days before the effective layoff date if the termination date of a specially funded program is other than June 30, or if a classified employee is subject to layoff as a result of a bona fide reduction or elimination of a service performed by a department.

Both bills were sponsored by labor groups and opposed by several management groups. AB 1908 will reduce the flexibility of districts to deal with unanticipated financial issues that may arise during the year, such as midyear cuts and, particularly for community colleges, property tax and student fee shortfalls. This comes at a time when local districts need more flexibility-not less.

And, even though AB 1203 would provide full reimbursement of the cost of the employee granted the leave, it comes at a time when districts are already spread thin because of fewer staff members. It not only bypasses the local collective bargaining process for addressing employee leaves but will make it more difficult for districts to find adequate substitutes for employees on leave, and in many instances, will require the employee's colleagues to fill the gap. It is likely that the level of service to students, other employees, and the public will suffer as a result of additional absences due to this leave.

For more on these new developments, along with the local impacts of pension reform, federal health care reform, and other current issues affecting personnel management, see our upcoming [HR workshops: Basics and Beyond the Basics](#).

—*Sheila G. Vickers*

posted 10/01/2012

The FISCAL REPORT an informational update

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Volume 32

For Publication Date: October 12, 2012

No. 20

Ask SSC . . . Will the 180-Day "Sit Out" Requirement Apply to Me When I Retire?

[Editor's Note: This article was originally posted on September 24, 2012. Since that time, we have received revised information from the California State Teachers' Retirement System (CalSTRS) that changes the original interpretation of the 180-day requirement for members that retire before January 1, 2013, as follows.]

Q. I will be retiring at the end of November 2012. Since that is before the pension reform bill takes effect, will the 180-day requirement to "sit out" apply to me?

A. The 180-day requirement applies to new and current members of CalSTRS and the California Public Employees' Retirement System (CalPERS). While we have not yet received confirmation from CalPERS, CalSTRS has verified that only members that retire on or after January 1, 2013, would be subject to this provision. Before January 1, 2013, you are subject to the current rules in place for postretirement work (see "[Ask SSC . . . Questions and Answers About Working After Retirement](#)" in the August 17, 2012, *Fiscal Report*).

Assembly Bill (AB) 340 (Chapter 296/2012), the Pension Reform Act, specifies that retirees from either system must wait 180 days after retirement before returning to work in a school agency. However, the specific provisions differ somewhat for CalPERS and CalSTRS members. Specifically, CalPERS retirees must wait 180 days before returning to work unless the employer:

- Certifies that the appointment is necessary before 180 days have passed in order to fill a critically needed position, and
- Approves the appointment at a public meeting of the Board, where it was an action item but not on a consent calendar

If the retiree accepted an early retirement incentive, they are not eligible for the above exception.

For a CalSTRS retiree, returning to work before 180 days have passed is an option, but the earnings limitation will be zero—in other words, every dollar earned will reduce the retirement benefit by a dollar (see CalSTRS analysis of the impact of AB 340 at http://www.calstrs.com/Newsroom/whats_new/pension_reform_impacts.aspx). However, there is an exception allowed for retirees of at least age 60 (or age 62 for new members), as follows:

- The retiree did not take an early retirement incentive
- The Board must prepare a resolution specifying similar information to what is required for CalPERS members above—the nature of the retiree's employment and a finding that it is necessary to fill a critically needed position before 180 days have passed
- The resolution cannot be placed on a consent calendar
- The retiree's retirement cannot be the reason for the need

—Sheila Vickers and Suzanne Speck

posted 10/05/2012

BTSA INDUCTION CREDENTIAL ADVISEMENT

1. PERSONAL INFORMATION *please print clearly*

NAME: _____		SSN: _____ - _____ - _____		Date of Birth _____	
DISTRICT _____		SITE _____		SUBJECT/GRADE LEVEL _____	
ADDRESS: _____		CITY _____		STATE _____ ZIP CODE _____	
STREET		CITY		STATE ZIP CODE	
HOME PHONE: (____) _____		WORK PHONE: (____) _____		EMAIL: _____	

2. VALID CREDENTIAL(S) OR PERMIT(S) HELD

CREDENTIAL TYPE <small>Check all that apply</small>	CREDENTIALLED TEACHING EXPERIENCE <small>Please circle:</small>	PRIOR BTSA PARTICIPANT <small>Please circle:</small>
<input type="checkbox"/> SB 2042 – Preliminary	Zero yrs 1yr 2 yr 3 yr 4 yr 5+ yrs Name of District(s): _____	Yr 1 Yr 2 Name of Program: _____
<input type="checkbox"/> Ryan Preliminary - CA trained	Zero yrs 1yr 2 yr 3 yr 4 yr 5+ yrs Name of District(s): _____	Yr 1 Yr 2 Name of Program: _____
<input type="checkbox"/> Ryan Preliminary - Out of State trained	Zero yrs 1yr 2 yr 3 yr 4 yr 5+ yrs State(s): _____	
<input type="checkbox"/> Professional Clear		
<input type="checkbox"/> Education Specialist, Level I	Zero yrs 1yr 2 yr 3 yr 4 yr 5+ yrs	
<input type="checkbox"/> Education Specialist, Preliminary	Zero yrs 1yr 2 yr 3 yr 4 yr 5+ yrs	
<input type="checkbox"/> EL Authorization if not 2042	Calif _____ other State (name) _____	
<input type="checkbox"/> Intern Credential	Zero yrs 1yr 2 yr 3 yr Name of District(s)/Program: _____	
<input type="checkbox"/> Provisional Intern Permit (PIP) <small>Have a BA, passed CBEST, subject matter competence</small>	Zero yrs 1yr 2 yr 3 yr Name of District(s): _____	
<input type="checkbox"/> Other (please indicate)	Zero yrs 1yr 2 yr 3 yr 4 yr 5+ yrs	

3. TEACHER PREPARATION (Check all that apply or N/A)

<input type="checkbox"/> I have completed a teacher preparation program, including student teaching. Name of University _____ Completion Date (month/year) _____	
<input type="checkbox"/> I am currently enrolled in a teacher preparation program. Name of University _____ Expected completion (month/year) _____ Type of Credential anticipated _____	

My signature below is verification that the above information is correct.

Employee's Signature

Date

FOR OFFICE USE ONLY

Induction Program Required	BTSA/Induction Eligible	BTSA/Induction Not-Eligible
<input type="checkbox"/> SB 2042 Induction <input type="checkbox"/> Out of State – less than 2 years exp <input type="checkbox"/> Out of Country	<input type="checkbox"/> CA Ryan preliminary <input type="checkbox"/> BTSA Special Education	<input type="checkbox"/> Experienced, credentialed teacher <input type="checkbox"/> Out of State with more than 2 yrs exp <input type="checkbox"/> Intern teacher
Signature: _____	Title: BTSA Director	Date: _____

Copies to: BTSA Director (491-6627 Fax)
District Leadership Team Representative

BTSA INDUCTION CREDENTIAL ADVISEMENT

1. PERSONAL INFORMATION *please print clearly*

NAME: _____ SSN: _____ - _____ - _____ Date of Birth _____
 DISTRICT _____ SITE _____ SUBJECT/GRADE LEVEL _____
 ADDRESS: _____
STREET CITY STATE ZIP CODE
 HOME PHONE: (____) _____ WORK PHONE: (____) _____ EMAIL: _____

2. VALID CREDENTIAL(S) OR PERMIT(S) HELD

CREDENTIAL TYPE Check all that apply	CREDENTIALLED TEACHING EXPERIENCE Please circle:	PRIOR BTSA PARTICIPANT Please circle:
<input type="radio"/> SB 2042 – Preliminary	Zero yrs 1yr 2 yr 3 yr 4 yr 5+ yrs Name of District(s): _____	Yr 1 Yr 2 Name of Program: _____
<input type="radio"/> Ryan Preliminary - CA trained	Zero yrs 1yr 2 yr 3 yr 4 yr 5+ yrs Name of District(s): _____	Yr 1 Yr 2 Name of Program: _____
<input type="radio"/> Ryan Preliminary - Out of State trained	Zero yrs 1yr 2 yr 3 yr 4 yr 5+ yrs State(s): _____	
<input type="radio"/> Professional Clear		
<input type="radio"/> Education Specialist, Level I	Zero yrs 1yr 2 yr 3 yr 4 yr 5+ yrs	
<input type="radio"/> Education Specialist, Preliminary	Zero yrs 1yr 2 yr 3 yr 4 yr 5+ yrs	
<input type="radio"/> EL Authorization if not 2042	Calif _____ other State (name) _____	
<input type="radio"/> Intern Credential	Zero yrs 1yr 2 yr 3 yr Name of District(s)/Program: _____	
<input type="radio"/> Provisional Intern Permit (PIP) Have a BA, passed CBEST, subject matter competence	Zero yrs 1yr 2 yr 3 yr Name of District(s): _____	
<input type="radio"/> Other (please indicate)	Zero yrs 1yr 2 yr 3 yr 4 yr 5+ yrs	

3. TEACHER PREPARATION (Check all that apply or N/A)

I have completed a teacher preparation program, including student teaching.
 Name of University _____ Completion Date (month/year) _____

I am currently enrolled in a teacher preparation program.
 Name of University _____ Expected completion (month/year) _____
 Type of Credential anticipated _____

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Signature: _____	Title: BTSA Director	Date: _____

Copies to: BTSA Director (491-6627 Fax)
 District Leadership Team Representative

CWIP BENEFITS

Related To Educator Misconduct

Benefits for everyone:

- All publicly available adverse action information will be available on the public lookup site

Benefits for educators:

- Educators will only have to submit "YES" answers to professional conduct questions one time when using the new and enhanced CWIP system
 - ✓ After disclosure of misconduct, adverse action fields will be pre-populated in future applications
 - ✓ Applicants only have to disclose new misconduct in future applications
 - ✓ Applicants will type less because of pull-down menus
 - ✓ Questions will be easier to read and understand
 - ✓ Professional fitness questions will describe documents applicants must provide

Benefits for employers:

- All publicly available adverse action information will be available to employers

CWIP BENEFITS

Benefits for everyone:

- ✓ No more tabbing when prompted to enter SSN and DOB
- ✓ Adverse action information will be available on the public site
- ✓ Pending applications will indicate type of document being requested
- ✓ Most current information regarding county of employment will be available on the public search
- ✓ Different levels of user logons and/or authentication (recommendation program, substitute teacher 30-day permit) but only one logon will be needed
- ✓ Public look up will show current documents and will have a tab for documents that are no longer active

Benefits for educators:

- Email reminder to educators to renew their documents
- Teachers can update personal information online such as address, email and name but not SSN or DOB
- After first submittal of yes answers to professional conduct questions, fields will be pre-populated for confirmation with future applications with the ability to add information

Benefits for employers:

- ❖ Child abuse and professional conduct links on email
- ❖ Document look-up
- ❖ Future Online DON submittal

Benefits for recommending agencies:

- Approved programs will be filtered by agency
- Ability to run reports (e.g., pending recommendations)
- Ability for candidate to return recommend for correction of name, dob, and/or questionable document information