

The FISCAL REPORT 32 informational update

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Update on STRS Postretirement Earnings Limitation and Exemptions

State Teachers' Retirement System (STRS) retirees who are hired back to perform creditable service (as in Education Code Section 22119.5) are allowed to earn up to a certain amount each fiscal year before experiencing a reduction in their monthly retirement benefit. This limitation applies to any creditable work performed by the STRS retiree, no matter whether the retiree is hired as an employee and paid through the payroll system, hired as an independent contractor and paid by a vendor warrant, or hired through a third party entity.

The limitation on postretirement earnings is increased each year based upon an index. For the 2008-09 fiscal year, the limitation is \$29,700. STRS has now calculated the postretirement earnings limitation for the 2009-10 fiscal year to be \$30,580. Any earnings over the amount designated for that fiscal year will result in a dollar-for-dollar reduction in the retirement benefit.

There are some exemptions allowed from the postretirement earnings limitation, and here are the exemptions along with the applicable statute:

Exemption Type	Education Code Section
No creditable service performed for 12 consecutive months after retirement	24214(e)
Filling vacant administrative position in emergency situation	24216
Appointment as trustee or administrator by statute or program requirement	24216
Classroom instruction or teacher support	24216.5
Remedial instruction	24216.6

There are specific eligibility requirements for each of the above exemptions, and any requests for exemption needs to be submitted to STRS before the retiree begins work. For more information, the latest Employer Directive from STRS can be found at:

http://www.calstrs.com/Help/forms_publications/eread/ED2009-02.pdf

-Sheila G. Vickers