

**ASSEMBLY BILL**

**No. 1733**

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**Introduced by Assembly Member Wildman**

January 6, 2000

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An act to amend Section 24214 of the Education Code, relating to the State Teachers' Retirement System.

LEGISLATIVE COUNSEL'S DIGEST

AB 1733, as introduced, Wildman. State Teachers' Retirement System: postretirement earnings.

Under the State Teachers' Retirement Law, the service retirement allowance of a retired member is generally required to be reduced if the member's postretirement compensation from specified activities exceeds a certain dollar amount.

This bill would increase the postretirement earnings limitation, as specified, and make related findings and declarations.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature find and declares:
- 2 (a) As a result of the enactment of the Class-Size
- 3 Reduction Program, over 22,000 emergency credentialed
- 4 teachers are currently teaching tens of thousands of
- 5 students across the state. Because many of these teachers
- 6 are minimally qualified and inexperienced, the quality of

1 instruction for these students has been adversely  
2 affected.

3 (b) The average teaching experience of retired  
4 teachers in this state is 27 years.

5 (c) Under the State Teachers' Retirement Law,  
6 postretirement earnings of retired teachers are limited,  
7 thereby creating a disincentive for retired teachers to  
8 reenter the teaching profession.

9 (d) Teachers who retired on or before July 1, 1998, who  
10 choose to reenter the teaching profession under the  
11 Class-Size Reduction Program, and who satisfy other  
12 conditions are exempt from those postretirement  
13 earnings limitations. Since the enactment of this  
14 exemption, over 1,600 retired teachers throughout the  
15 state have returned to teaching, providing approximately  
16 32,000 students with the benefits of experienced, highly  
17 qualified teachers.

18 (e) The pool of retired teachers represents a valuable  
19 resource. All California students would benefit if more  
20 retired teachers chose to return to teaching.

21 SEC. 2. Section 24214 of the Education Code is  
22 amended to read:

23 24214. (a) A member retired for service under this  
24 part may perform the activities identified in paragraphs  
25 (1) to (9), inclusive, of subdivision (a), or subdivision (b),  
26 of Section 22119.5 as an employee of an employer, as an  
27 employee of a third party, or as an independent  
28 contractor within the California public school system, but  
29 the member shall not make contributions to the  
30 retirement fund or accrue service credit based on  
31 compensation earned from that service.

32 (b) The rate of pay for service performed by a  
33 member retired for service under this part as an  
34 employee of the employer shall not be less than the  
35 minimum, nor exceed that paid by the employer to other  
36 employees performing comparable duties.

37 (c) A member retired for service under this part shall  
38 not be required to reinstate for performing the activities  
39 identified in paragraphs (1) to (9), inclusive, of  
40 subdivision (a), or subdivision (b), of Section 22119.5, as



1 an employee of an employer, as an employee of a third  
2 party, or as an independent contractor within the  
3 California public school system.

4 (d) A member retired for service under this part may  
5 earn compensation for performing activities identified in  
6 paragraphs (1) to (9), inclusive, of subdivision (a), or  
7 subdivision (b), of Section 22119.5 in any one school year  
8 up to the limitation specified in subdivision (f) as an  
9 employee of an employer, as an employee of a third party,  
10 or an independent contractor, within the California  
11 public school system, without a reduction in his or her  
12 retirement allowance.

13 (e) The postretirement compensation limitation  
14 provisions set forth in this section shall not be applicable  
15 to compensation earned for the performance of the  
16 activities described in subdivision (a) for which the  
17 employer is not eligible to receive state apportionment or  
18 to compensation that is not creditable pursuant to Section  
19 22119.2.

20 (f) The limitation that shall apply to the compensation  
21 for performance of the activities identified in paragraphs  
22 (1) to (9), inclusive, of subdivision (a), or subdivision (b),  
23 of Section 22119.5 by a member retired for service under  
24 this part either as an employee of an employer, an  
25 employee of a third party, or as an independent  
26 contractor, shall be ~~fifteen~~ *thirty-six* thousand dollars  
27 ~~(\$15,000)~~ *(\$36,000)*, in any one school year, adjusted  
28 annually by the board each July 1 by the annual amount  
29 of increase in the All Urban California Consumer Price  
30 Index using December ~~1989~~ *1999* as the base.

31 (g) If a member retired for service under this part  
32 earns compensation for performing activities identified  
33 in paragraphs (1) to (9), inclusive, of subdivision (a), or  
34 subdivision (b), of Section 22119.5 in excess of the  
35 limitation specified in subdivision (f), as an employee of  
36 an employer, as an employee of a third party, or as an  
37 independent contractor, within the California public  
38 school system, the member's retirement allowance shall  
39 be reduced by the amount of the excess compensation.  
40 The amount of the reduction may be equal to the monthly



1 allowance payable but shall not exceed the amount of the  
2 annual allowance payable under this part for the fiscal  
3 year in which the excess compensation was earned.  
4 (h) The amendments to this section enacted during  
5 the 1995–96 Regular Session shall be deemed to have  
6 become operative on July 1, 1996.

