

AMENDED IN ASSEMBLY MAY 26, 2000
AMENDED IN ASSEMBLY MARCH 30, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 1733

Introduced by Assembly Member Wildman
(Principal coauthor: Assembly Member Shelley)
(Coauthors: Assembly Members Bock, Keeley, Knox, Leach,
Lempert, Strom-Martin, Washington, Wayne, and Zettel)
(Coauthors: Senators Alpert, Peace, Perata, and Solis)

January 6, 2000

An act to amend ~~Sections 22461 and 24214 of, and to repeal Sections 24216 and 24216.5 of, the Education Code~~ *Section 24214 of the Education Code*, relating to the State Teachers' Retirement System.

LEGISLATIVE COUNSEL'S DIGEST

AB 1733, as amended, 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, ~~with an exception,~~ eliminate the postretirement earnings limitation *for retired members who return to work more than 1 year after retirement; increase*

that limitation, as specified, for other retired members; and make related technical changes and 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
7 instruction for these students has been adversely
8 affected.

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

11 (c) Under the State Teachers' Retirement Law,
12 postretirement earnings of retired teachers are limited,
13 thereby creating a disincentive for retired teachers to
14 reenter the teaching profession.

15 (d) Teachers who retired on or before July 1, 1998, who
16 choose to reenter the teaching profession under the
17 Class-Size Reduction Program, and who satisfy other
18 conditions are exempt from those postretirement
19 earnings limitations. Since the enactment of this
20 exemption, over 1,600 retired teachers throughout the
21 state have returned to teaching, providing approximately
22 32,000 students with the benefits of experienced, highly
23 qualified teachers.

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

27 ~~SEC. 2. Section 22461 of the Education Code is~~
28 ~~amended to read:~~

29 ~~22461. (a) Upon retaining the services of a retired~~
30 ~~member under Section 24116 or 24215, the California~~
31 ~~State University shall do both of the following:~~

32 ~~(1) Advise the retired member of the earnings~~
33 ~~limitation set forth in Sections 24116 and 24215.~~

~~(2) Maintain accurate records of the retired member's earnings and report those earnings monthly to the system and the retired member regardless of the method of payment or the fund from which the payments were made.~~

~~(b) This section shall not be construed to make the California State University liable for any amount paid to the retired member in excess of the earnings limitation under any circumstance, including the failure to inform the retired member that continuation of service would exceed the limitations.~~

~~SEC. 3.~~

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

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

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

~~(c) A member retired for service under this part shall not be required to reinstate for performing the activities identified in paragraphs (1) to (9), inclusive, of subdivision (a), or subdivision (b), of Section 22119.5, as an employee of an employer, as an employee of a third party, or as an independent contractor within the California public school system.~~

~~(d) A member retired for service under this part may earn compensation for performing activities identified in paragraphs (1) to (9), inclusive, of subdivision (a), or subdivision (b), of Section 22119.5 *in any one school year up to the limitation specified in subdivision (f)* as an~~

1 employee of an employer, as an employee of a third party,
2 or an independent contractor, within the California
3 public school system, without a reduction in his or her
4 retirement allowance.

5 ~~(f)~~

6 (e) (1) *The postretirement compensation limitation*
7 *provisions set forth in this section shall not be applicable*
8 *to compensation earned by a member retired for service*
9 *under this part who has first returned to work more than*
10 *one year after the date of retirement.*

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

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

29 (g) *If a member retired for service under this part*
30 *earns compensation for performing activities identified*
31 *in paragraphs (1) to (9), inclusive, of subdivision (a), or*
32 *subdivision (b), of Section 22119.5 in excess of the*
33 *limitation specified in subdivision (f), as an employee of*
34 *an employer, as an employee of a third party, or as an*
35 *independent contractor, within the California public*
36 *school system, and if that compensation is not exempt*
37 *from that limitation under subdivision (e) or any other*
38 *provisions of law, the member's retirement allowance*
39 *shall be reduced by the amount of the excess*
40 *compensation. The amount of the reduction may be*

1 *equal to the monthly allowance payable but shall not*
2 *exceed the amount of the annual allowance payable*
3 *under this part for the fiscal year in which the excess*
4 *compensation was earned.*

5 (h) The amendments to this section enacted during
6 the 1995–96 Regular Session shall be deemed to have
7 become operative on July 1, 1996.

8 ~~SEC. 4. Section 24216 of the Education Code is~~
9 ~~repealed.~~

10 ~~SEC. 5. Section 24216.5 of the Education Code is~~
11 ~~repealed.~~

