

AMENDED IN SENATE AUGUST 25, 2000
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, *repeal, and add* 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 *until January 1, 2008*, eliminate the postretirement earnings limitation for retired members who return to work more than *± one* year after retirement; increase that limitation, as specified, for other retired

members; and make related findings and declarations. *On January 1, 2008, existing law would be restored, except that the amount of allowable postretirement compensation would be increased.*

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 24214 of the Education Code is
28 amended to read:

29 24214. (a) A member retired for service under this
30 part may perform the activities identified in paragraphs
31 (1) to (9), inclusive, of subdivision (a), or subdivision (b),



1 of Section 22119.5 as an employee of an employer, as an
2 employee of a third party, or as an independent
3 contractor within the California public school system, but
4 the member shall not make contributions to the
5 retirement fund or accrue service credit based on
6 compensation earned from that service.

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

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

19 (d) A member retired for service under this part may
20 earn compensation for performing activities identified in
21 paragraphs (1) to (9), inclusive, of subdivision (a), or
22 subdivision (b), of Section 22119.5 in any one school year
23 up to the limitation specified in subdivision (f) as an
24 employee of an employer, as an employee of a third party,
25 or an independent contractor, within the California
26 public school system, without a reduction in his or her
27 retirement allowance.

28 (e) (1) The postretirement compensation limitation
29 provisions set forth in this section shall not be applicable
30 to compensation earned by a member retired for service
31 under this part who has first returned to work more than
32 one year after the date of retirement.

33 (2) The postretirement compensation limitation
34 provisions set forth in this section shall not be applicable
35 to compensation earned for the performance of the
36 activities described in subdivision (a) for which the
37 employer is not eligible to receive state apportionment or
38 to compensation that is not creditable pursuant to Section
39 22119.2.



1 (f) The limitation that shall apply to the compensation
2 for performance of the activities identified in paragraphs
3 (1) to (9), inclusive, of subdivision (a), or subdivision (b),
4 of Section 22119.5 by a member retired for service under
5 this part either as an employee of an employer, an
6 employee of a third party, or as an independent
7 ~~contractor, shall be thirty-six thousand dollars (\$36,000),~~
8 *contractor, shall be twenty-two thousand dollars*
9 *(\$22,000)* in any one school year, adjusted annually by the
10 board each July 1 by the annual amount of increase in the
11 All Urban California Consumer Price Index using
12 December 1999 as the base.

13 (g) If a member retired for service under this part
14 earns compensation for performing activities identified
15 in paragraphs (1) to (9), inclusive, of subdivision (a), or
16 subdivision (b), of Section 22119.5 in excess of the
17 limitation specified in subdivision (f), as an employee of
18 an employer, as an employee of a third party, or as an
19 independent contractor, within the California public
20 school system, and if that compensation is not exempt
21 from that limitation under subdivision (e) or any other
22 provisions of law, the member's retirement allowance
23 shall be reduced by the amount of the excess
24 compensation. The amount of the reduction may be
25 equal to the monthly allowance payable but shall not
26 exceed the amount of the annual allowance payable
27 under this part for the fiscal year in which the excess
28 compensation was earned.

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

32 *(i) This section shall be repealed on January 1, 2008,*
33 *unless later enacted legislation extends or deletes that*
34 *date.*

35 *SEC. 3. Section 24214 is added to the Education Code,*
36 *to read:*

37 *24214. (a) A member retired for service under this*
38 *part may perform the activities identified in paragraphs*
39 *(1) to (9), inclusive, of subdivision (a), or subdivision (b),*
40 *of Section 22119.5 as an employee of an employer, as an*



1 *employee of a third party, or as an independent*
2 *contractor within the California public school system, but*
3 *the member shall not make contributions to the*
4 *retirement fund or accrue service credit based on*
5 *compensation earned from that service.*

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

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

18 *(d) A member retired for service under this part may*
19 *earn compensation for performing activities identified in*
20 *paragraphs (1) to (9), inclusive, of subdivision (a), or*
21 *subdivision (b), of Section 22119.5 in any one school year*
22 *up to the limitation specified in subdivision (f) as an*
23 *employee of an employer, as an employee of a third party,*
24 *or an independent contractor, within the California*
25 *public school system, without a reduction in his or her*
26 *retirement allowance.*

27 *(e) The postretirement compensation limitation*
28 *provisions set forth in this section shall not be applicable*
29 *to compensation earned for the performance of the*
30 *activities described in subdivision (a) for which the*
31 *employer is not eligible to receive state apportionment or*
32 *to compensation that is not creditable pursuant to Section*
33 *22119.2.*

34 *(f) The limitation that shall apply to the compensation*
35 *for performance of the activities identified in paragraphs*
36 *(1) to (9), inclusive, of subdivision (a), or subdivision (b),*
37 *of Section 22119.5 by a member retired for service under*
38 *this part either as an employee of an employer, an*
39 *employee of a third party, or as an independent*
40 *contractor, shall be twenty-two thousand dollars*



1 (\$22,000), in any one school year; adjusted annually by the
2 board each July 1 by the annual amount of increase in the
3 All Urban California Consumer Price Index using
4 December 1989 as the base.

5 (g) If a member retired for service under this part
6 earns compensation for performing activities identified
7 in paragraphs (1) to (9), inclusive, of subdivision (a), or
8 subdivision (b), of Section 22119.5 in excess of the
9 limitation specified in subdivision (f), as an employee of
10 an employer, as an employee of a third party, or as an
11 independent contractor, within the California public
12 school system, the member's retirement allowance shall
13 be reduced by the amount of the excess compensation.
14 The amount of the reduction may be equal to the monthly
15 allowance payable but shall not exceed the amount of the
16 annual allowance payable under this part for the fiscal
17 year in which the excess compensation was earned.

18 (h) The language of this section derived from the
19 amendments to the section of this number added by
20 Chapter 394 of the Statutes of 1995, enacted during the
21 1995–96 Regular Session, shall be deemed to have become
22 operative on July 1, 1996.

23 (i) This section shall become operative on January 1,
24 2008.

