

AMENDED IN SENATE AUGUST 31, 2000
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, *Honda*, Keeley, Knox,
Leach, Lempert, Strom-Martin, Washington, Wayne, and
Zettel)**

**(Coauthors: Senators Alpert, *Johnston*, *Karnette*, *McPherson*,
Ortiz, Peace, Perata, ~~and Solis~~ *Solis*, and *Vasconcellos*)**

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 *and who, for one year, have not performed any creditable service, as specified*; 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.



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

3 24214. (a) A member retired for service under this
4 part may perform the activities identified in paragraphs
5 (1) to (9), inclusive, of subdivision (a), or subdivision (b),
6 of Section 22119.5 as an employee of an employer, as an
7 employee of a third party, or as an independent
8 contractor within the California public school system, but
9 the member shall not make contributions to the
10 retirement fund or accrue service credit based on
11 compensation earned from that service.

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

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

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

33 (e) (1) The postretirement compensation limitation
34 provisions set forth in this section shall not be applicable
35 to compensation earned by a member retired for service
36 ~~under this part who has first returned to work more than~~
37 ~~one year after the date of retirement.~~ *under this part who*
38 *has returned to work after the date of retirement and, for*
39 *a period of at least 12 consecutive months, has not*
40 *performed the activities identified in paragraphs (1) to*



1 (9), inclusive, of subdivision (a), or subdivision (b), of
2 Section 22119.5 as an employee of an employer, as an
3 employee of a third party, or as an independent
4 contractor within the California public school system.

5 (2) The postretirement compensation limitation
6 provisions set forth in this section shall not be applicable
7 to compensation earned for the performance of the
8 activities described in subdivision (a) for which the
9 employer is not eligible to receive state apportionment or
10 to compensation that is not creditable pursuant to Section
11 22119.2.

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

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



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

4 (i) This section shall be repealed on January 1, 2008,
5 unless later enacted legislation extends or deletes that
6 date.

7 SEC. 3. Section 24214 is added to the Education Code,
8 to read:

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

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

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

30 (d) A member retired for service under this part may
31 earn compensation for performing activities identified in
32 paragraphs (1) to (9), inclusive, of subdivision (a), or
33 subdivision (b), of Section 22119.5 in any one school year
34 up to the limitation specified in subdivision (f) as an
35 employee of an employer, as an employee of a third party,
36 or an independent contractor, within the California
37 public school system, without a reduction in his or her
38 retirement allowance.

39 (e) The postretirement compensation limitation
40 provisions set forth in this section shall not be applicable



1 to compensation earned for the performance of the
2 activities described in subdivision (a) for which the
3 employer is not eligible to receive state apportionment or
4 to compensation that is not creditable pursuant to Section
5 22119.2.

6 (f) The limitation that shall apply to the compensation
7 for performance of the activities identified in paragraphs
8 (1) to (9), inclusive, of subdivision (a), or subdivision (b),
9 of Section 22119.5 by a member retired for service under
10 this part either as an employee of an employer, an
11 employee of a third party, or as an independent
12 contractor, shall be twenty-two thousand dollars
13 (\$22,000), in any one school year, adjusted annually by the
14 board each July 1 by the annual amount of increase in the
15 All Urban California Consumer Price Index using
16 December-1989 1999 as the base.

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

30 (h) The language of this section derived from the
31 amendments to the section of this number added by
32 Chapter 394 of the Statutes of 1995, enacted during the
33 1995-96 Regular Session, shall be deemed to have become
34 operative on July 1, 1996.

35 (i) This section shall become operative on January 1,
36 2008.

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