

Working After Retirement

Guidelines for Retirees Working for SBCERS Employers

Once a member retires from SBCERS they are generally free to work for a private or public employer and participate in another retirement plan without that employment affecting the member's retirement benefit. However, working for the County of Santa Barbara or another SBCERS employer while retired from SBCERS is subject to rules and restrictions, even if done in a different capacity from the member's original occupation. The following six restrictions apply pursuant to California state law and federal tax regulations.

1. Retired member employment is generally limited to positions that are performed during an emergency to prevent stoppage of public business or because the retired person has skills needed to perform work of limited duration.
2. A retired member serving in a non-safety position may not be employed until 180 days have passed since their retirement unless the employer certifies that the appointment is necessary to fill a critically needed position. If a retired member, safety or non-safety, has not reached normal retirement ageⁱ there must be a waiting period of at least 90 days to establish a bona fide separation from employment even if an exception to the 180-day requirement otherwise applies.
3. Retired member employment may not exceed 960 hours in a fiscal year, measured from July 1 through June 30 of the following year.
4. The retired member's hourly rate may not exceed the maximum, or be less than the minimum, paid to other employees performing similar service.
5. The employment must be of "limited duration." See below for SBCERS guidelines on limited duration.
6. Limitations on retired member employment apply regardless of whether a retired member performs services as an employee or as an independent contractor.

A retiree and their employer should work together to ensure compliance with the above restrictions. Failure to comply with the above may result in the suspension of payment of the member's retirement benefit until the employment ceases. These guidelines do not constitute a comprehensive account of all legal rules and requirements applicable to post-retirement employment. If a member or employer has questions regarding employment in specific circumstances, they are encouraged to direct questions to SBCERS member services staff.

Exceptions to Limitations on Retired Member Employment

- These limitations do not apply when a retiree wishes to suspend their retirement benefit and recommence regular employment for an SBCERS employer. Such employment is subject to different rules that allow the member to temporarily suspend their retirement benefit and to potentially accrue additional retirement benefits that may be combined with their existing retirement benefit when the new employment period ends.
- A retired SBCERS member may provide unlimited service to an SBCERS employer in certain capacities without affecting their retirement benefit. For example, a retiree may serve as a juror,

an election officer, an elected county official or as a member of the SBCERS retirement board without that work affecting their retirement benefit.

- Limitations do not apply when the retired member provides services in connection to their employment by an independent business performing services for an SBCERS employer as well as other customers, provided that the retired member's employment relationship with the independent business is bona fide and not entered into for the purposes of avoiding these limitations.

Limited Duration Policy

SBCERS interpretation of limited duration is consistent with that followed by other California public retirement systems. For work to be considered "limited duration," it must meet the following guidelines:

- Work that continues indefinitely or is considered permanent does not meet the definition of "limited duration."
- Work that is expected to conclude in a period of less than 24 months is generally presumed to be of limited duration.
- Work that exceeds 24 months may still meet the definition of "limited duration" in special circumstances. Examples may include additional time needed to complete a special project or extensions of employment required due to the inability to fill a position with unique job qualifications.
- Employers and retired members are required to certify an estimate of the duration of employment at the time employment commences and to provide further certification(s) if that estimate is changed or extended.
- Any post-retirement employment extending for a period 24 months requires a written Request for Extension with a detailed explanation of the special circumstances that require the extension. The request should be made prior to the end of the 24 month period.

ⁱ SBCERS Normal Retirement Age regulations can be found at www.sbcers.org under Board Policies.