Summary of Proposed Regulation Defining Limited Duration for Post-Retirement Appointments

This proposed regulation standardizes and limits the length of post-retirement appointments for CalPERS retirees, provides a process for limited extensions and exemptions, and ensures transparency and accountability through reporting and documentation requirements. It also accommodates collectively bargained durations.

Key Provisions:

Limited Duration

- Retirees can work in a post-retirement appointment for two years with the same employer.
- **Extension Process:** After two years, the employer can extend the appointment for two additional years by approving one-year extensions for each year. The employer's governing body must approve each extension and certify specific requirements are met at a public meeting before the retiree can continue working in that position under the approved extensions.
- **Exemption Process:** After four years (end of the second extension), the employer's governing body can approve an exemption for a 120 hour per year continuous extension. Under the exemption, the retiree cannot work more than 120 hours per fiscal year in that position and cannot have another concurrent appointment with an approved exemption with the same employer. The employer's governing body must certify specific requirements are met at a public meeting before the retiree can continue working in that position under the approved exemption.
- If the employer's governing body does not approve an exemption, then that appointment ends and the retiree cannot work in another post-retirement position with that same employer unless the duties for the new post-retirement position are vastly different than the duties of the previous post-retirement position. For example, a retiree works as a bus driver for four years, that appointment ends and the same school district hires the retiree to work as a food service worker. Those positions have vastly different duties from each other and the food service position would be considered a new appointment with the employer.
- For retirees working in post-retirement appointments prior to the regulation effective date, the two-year duration begins on the regulation effective date.

Employer Responsibilities

- It is the employer's responsibility to certify that all requirements are met for extensions and exemptions.
- The employer must keep all extension and exemption resolutions (memorandums for state appointments) and provide those resolutions to CalPERS upon request during any future investigations or audits.
- The employer must report the retiree's name and anticipated end date for each extension and any exemptions to CalPERS. CalPERS will include the retiree in its annual report of approved extensions and exemptions, which will be available on the CalPERS website.
- For appointments with the state, the California Department of Human Resources (CalHR) certifies all requirements are met for extensions and exemptions by memorandum. CalHR may establish a process to delegate the certification to individual state agencies and may audit the state agency's extension and

exemption process to determine if abuses of the system occur. If necessary, CalHR may assume a state agency's certification authority for retirees. CalHR, under their existing authority, may charge state agencies for this service.
- For appointments with the California State University, the Trustees of the California State University certify all requirements are met for extensions and exemptions by resolution at a public meeting.
- For appointments with the legislature, the Senate Committee on Rules or the Assembly Rules Committee, as applicable, certifies all requirements are met for extensions and exemptions by resolution at a public meeting.

Collective Bargaining Agreements

- If a collective bargaining agreement explicitly sets a different duration, up to five years, that duration applies instead of the standard two years. In the collective bargaining agreement, only that negotiated term will apply. The two one-year extensions and the 120-hour exemption will NOT apply. The maximum time allowed will be up to five years only.
- Employers must notify CalPERS and provide a copy of the agreement.
- Retirees whose duration is set by a collective bargaining agreement cannot hold another post-retirement appointment with the same employer.

Compliance and Penalties

- Violations by retired persons or employers are subject to applicable penalties under Government Code section 21202, 21220, and 7522.56.

Key Differences from the Proposed Regulations in 2022

Proposed Regulation 2022	Proposed Regulation 2026
Two Exemption Options: • A continuous extension allowed for retirees working 120 hours or less per fiscal year, or • Additional one-year extensions that could be requested annually if certain requirements were met.	One Exemption Option: • A continuous extension allowed for retirees working 120 hours or less per fiscal year.
Exemption requests could not be placed on the employer's governing body's consent calendar.	Exemption requests can be placed on the employer's governing body's consent calendar.
CalPERS approved all exemptions.	The employer's governing body approves all exemptions.
For appointments with the state, CalHR could not delegate the certification authority to individual state agencies.	For appointments with the state, CalHR can delegate the certification authority to individual state agencies.
The annual public report only included retirees approved for an exemption.	The annual public report will include retirees approved for an extension or exemption.