



Contra Costa County Office of Education

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Karen Sakata, Superintendent of Schools

Business and Administrative Services

April 5, 2017

TO: District Business Officials
District Payroll
Contra Costa County School Districts

FROM: Felicia Hill
Manager, District Payroll Services

SUBJECT: CalSTRS Circulars and Directives – February and March 2017

The following is a summary of the most recent CalSTRS Employer Directives and Circulars. The full directive and circulars are attached for reference.

1) CalSTRS Employer Information Circular, Volume 32; Issue 1 – Pension Plan Limits
Compensation Limit – IRC, Section 401(a) (17)

Fiscal Year Limit	2% @ 60 – Classic	2% @ 62 - PEPR
Effective 7/1/17 – 6/30/18	\$270,000	
Effective 7/1/16 – 6/30/17 (CalSTRS will publish a separate EIC for 07/1/17- 6/30/18 limit)		\$139,320

Retirement Benefit Limit – IRC, Section 415(b)

	2% @ 60 - Classic
2017 Calendar Year	\$183,781

2) CalSTRS EIC, Volume 33; Issue 3 – Employer Offering 403(b) Program

March 20, 2017, CalSTRS launched a newly designed website, 403bCompare.com. This site is now easier for employees to compare fees, performance and services for all California’s 403(b) products. *(Brochures will be sent to each district)*

3) CalSTRS ER Directive 2017-03 – Post Retirement Earnings Limit

(Supersedes Employer Directive 2016-03)

- a. Post-retirement annual earnings limit for 2016-17 fiscal year is \$41,732
- b. Post-retirement annual earnings limit for 2017-18 fiscal year is \$43,755
- c. Disability retirement earnings limit for the 2017 calendar year is \$29,550
Limit applies to all earnings regardless of self-employed or employed in any capacity with either public or private sector.

d. Disability allowance earnings limit for the 2016-17 and 2017-18 *fiscal* years is calculated individually for each member, the limit is indexed final compensation amount. Members receiving a disability allowance benefit are also subject to individual monthly and continuous six-month earnings limits.

e. Exemption to the Separation-From-Service

- There is a narrow exemption available through June 30, 2017, for certain appointments to assist schools that are in financial or academic distress. Four specific appointments are exempt. (*See attachment*)
- The retired member is normal retirement age when the compensation is earned.
- The retired member has not received financial inducement to retire, including, but not limited to, receiving additional service credit from any public employer in the previous six months.

f. Additional postretirement restrictions

There is a 180-day calendar day separation-from-service employment restriction for retired CalSTRS members, regardless of age, unless an exemption is granted.

Under Education code 45154, retired CalSTRS members are precluded from employment in classified positions. However, this is outside the purview of CalSTRS. Retired CalSTRS and CalPERS members returning to work must contact CalPERS.

Retired CalSTRS members receiving retirement incentives will lose they're increased service credits if they return to work in any position within five years from receiving the retirement incentives.

Employers are required to notify retired CalSTRS members of earnings limitations and employment restrictions when retaining their services as an employee, as an employee of a third party, or as an independent contractor.