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IMPORTANT NOTICES FOR OUR WALK-ON COACHING STAFF

AB 1522 – HEALTHY FAMILIES ACT AND COACHING STIPENDS

AB 1522, the new Healthy Workplaces, Healthy Families Act of 2014 provides sick leave to employees who work for more than 30 days for an employer. Employees may begin to use their sick leave on the 90th day of employment and may use it in increments of two hours or more. Your sick leave does not accrue and does not carry over from year-to-year. Your annual coaching stipend includes the 24 hours (3 days) of sick leave required under AB 1522. As such, if you are absent from your coaching duties due to a qualifying illness, you must turn in a Classified Timecard (cherry color) to the Payroll Department indicating the days/hours you were absent. Timecards may be obtained from your school site or from the payroll department. For more information about your AB 1522 sick leave benefits, please visit:
http://www.dir.ca.gov/dlse/Paid_Sick_Leave.htm

POTENTIAL EFFECT OF COACHING SALARY ON RETIREMENT BENEFITS

In addition, if you are a PERS or STRS retiree and you are receiving retirement benefits, the information below is very important.

For PERS retirees, Government Code Section 21221 specifies that retirees from the California Public Employees' Retirement System, cannot earn more than the publically available hourly rate of pay for other employees' performing comparable duties, and that they cannot receive any additional benefits or compensation.

For STRS retirees: I write to remind you of the conditions of your retirement under state law. Your acceptance of a coaching position within the District could affect your retirement benefits.

As a retiree under the California State Teachers Retirement System (CalSTRS), you are subject to certain earnings limitations after retirement. First, anyone receiving a retirement allowance under any school retirement system cannot be employed in a classified position unless expressly provided for by state law.¹

The exceptions to this rule are not relevant to your coaching position. Second, if you retired under the CalSTRS Retirement Incentive Program (also known as the golden handshake early

¹ Education Code sections 45134, 88033.

retirement incentive), you may lose the ongoing increase in your benefit from the incentive if you return to work within five years of retirement in *any job* with the school district from which you retired.²

Finally, every dollar earned by a CalSTRS retiree who returns to work within 180 days of retirement will offset the retiree's pension benefit, subject to exceptions not relevant here.³ Based on those earnings limitations following retirement, it is possible that CalSTRS will deduct any income you receive from coaching from your retirement payment on a dollar-to-dollar basis. You should contact CalSTRS directly to receive a definitive response in writing regarding this issue. I have attached the relevant Education Code provisions to this letter.

Please sign the next page of this letter indicating that you have received this information and return it to me prior to your first day of coaching.

Sincerely,

Cindy Brennan
Director of Human Resources

² Education Code section 22714(h).

³ Education Code section 24214.5.

California Education Code section 45134

(a) Notwithstanding any other provisions of law, no minimum or maximum age limits shall be established for the employment or continuance in employment of persons as part of the classified service.

(b) Any person possessing all of the minimum qualifications for any employment shall be eligible for appointment to that employment, and no rule or policy, either written or unwritten, heretofore or hereafter adopted, shall prohibit the employment or continued employment, solely because of the age of any person in any school employment who is otherwise qualified.

(c) No person shall be employed in school employment while he or she is receiving a retirement allowance under any retirement system by reason of prior school employment, except that a person may be hired:

(1) Pursuant to Article 8 (commencing with Section 21220) of Chapter 12 of Part 3 of Division 5 of Title 2 of the Government Code.

(2) As an aide in one of the following circumstances:

(A) An aide is needed in a class with a high pupil-teacher ratio.

(B) An aide is needed to provide one-on-one instruction in remedial classes or for underprivileged students.

A person working as an aide pursuant to this subdivision shall not receive service credits for purposes of the State Teachers' Retirement System.

(d) The provisions of subdivision (c) shall be inapplicable to persons who were employed in the classified service of any school district as of September 18, 1959, and who are still in the employ of the same district on the effective date of this subdivision, and the rights of those persons shall be fixed and determined as of September 18, 1959, and no such person shall be deprived of any right to any retirement allowance or eligibility for any such allowance to which he or she would have been entitled as of that date. Any such person who, by reason of any provision of law to the contrary, has been deprived of any right to retirement allowance or eligibility for such an allowance, shall, upon the filing of application therefor, be reinstated to such rights as he or she would have had had this subdivision been in effect on September 18, 1959.

(e) This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 6 (commencing with Section 45240) of this chapter.

California Education Code section 88033

(a)Notwithstanding any other provisions of law, no minimum or maximum age limits shall be established for the employment or continuance in employment of persons as part of the classified service.

(b)Any person possessing all of the minimum qualifications for any employment shall be eligible for appointment to that employment, and no rule or policy, either written or unwritten, heretofore or hereafter adopted, shall prohibit the employment or continued employment, solely because of the age of any such person in any community college employment who is otherwise qualified therefor.

(c)No person shall be employed in community college employment while he or she is receiving a retirement allowance under any retirement system by reason of prior school or community college employment, except as provided in Article 5 (commencing with Section 21150) of Chapter 8 of Part 3 of Division 5 of Title 2 of the Government Code.

(d)Subdivision (c) shall be inapplicable to persons who were employed in the classified service of any community college district as of September 18, 1959, and who are still employed by the same district on September 15, 1961, and the rights of those persons shall be fixed and determined as of September 18, 1959, and none of these persons shall be deprived of any right to any retirement allowance or eligibility for any such allowance to which he or she would have been entitled as of that date. Any such person who, by reason of any provision of law to the contrary, has been deprived of any right to retirement allowance or eligibility for such an allowance, shall, upon the filing of application therefor, be reinstated to those rights as he or she would have had, had this subdivision been in effect on September 18, 1959.

(e)This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 3 (commencing with Section 88060).

California Education Code section 22714

(a) Whenever the governing board of a school district or a community college district or a county office of education, by formal action, determines pursuant to Section 44929 or 87488 that, because of impending curtailment of, or changes in, the manner of performing services, the best interests of the district or county office of education would be served by encouraging certificated employees or academic employees to retire for service and that the retirement will result in a net savings to the district or county office of education, an additional two years of service credit shall be granted under this part to a member of the Defined Benefit Program if all of the following conditions exist:

(1) The member is credited with five or more years of service credit and retires for service under Chapter 27 (commencing with Section 24201) during a period of not more than 120 days or less than 60 days, commencing no sooner than the effective date of the formal action of the employer that shall specify the period.

(2) (A) The employer transfers to the retirement fund an amount determined by the Teachers' Retirement Board to equal the actuarial equivalent of the difference between the allowance the member receives after receipt of service credit pursuant to this section and the amount the member would have received without the service credit and an amount determined by the Teachers' Retirement Board to equal the actuarial equivalent of the difference between the purchasing power protection supplemental payment the member receives after receipt of service credit pursuant to this section and the amount the member would have received without the service credit. The payment for purchasing power shall be deposited in the Supplemental Benefit Maintenance Account established by Section 22400 and shall be subject to Section 24415. The transfer to the retirement fund shall be made in a manner and a time period, not to exceed eight years, that is acceptable to the Teachers' Retirement Board. The employer shall transfer the required amount for all eligible employees who retire pursuant to this section.

(B) Regular interest shall be charged on the unpaid balance if the employer makes the transfer to the retirement fund in installments.

(3) The employer transmits to the retirement fund the administrative costs incurred by the system in implementing this section, as determined by the Teachers' Retirement Board.

(4) The employer has considered the availability of teachers or academic employees to fill the positions that would be vacated pursuant to this section.

(b) (1) The school district shall demonstrate and certify to the county superintendent that the formal action taken would result in a net savings to the district.

(2) The county superintendent shall certify to the Teachers' Retirement Board that the result specified in paragraph (1) can be demonstrated. The certification shall include, but not be limited to, the information specified in subdivision (c) of Section 14502.1.

(3) The school district shall reimburse the county superintendent for all costs to the county superintendent that result from the certification.

(c) (1) The county office of education shall demonstrate and certify to the Superintendent of Public Instruction that the formal action taken would result in a net savings to the county office of education.

(2) The Superintendent of Public Instruction shall certify to the Teachers' Retirement Board that the result specified in paragraph (1) can be demonstrated. The certification shall include, but not be limited to, the information specified in subdivision (c) of Section 14502.1.

(3) The Superintendent of Public Instruction may request reimbursement from the county office of education for all administrative costs that result from the certification.

(d) (1) The community college district shall demonstrate and certify to the chancellor's office that the formal action taken would result in a net savings to the district.

(2) The chancellor shall certify to the Teachers' Retirement Board that the result specified in paragraph (1) can be demonstrated. The certification shall include, but not be limited to, the information specified in subdivision (c) of Section 84040.5.

(3) The chancellor may request reimbursement from the community college district for all administrative costs that result from the certification.

(e) The opportunity to be granted service credit pursuant to this section shall be available to all members employed by the school district, community college district, or county office of education who meet the conditions set forth in this section.

(f) The amount of service credit shall be two years.

(g) Any member of the Defined Benefit Program who retires under this part for service under Chapter 27 (commencing with Section 24201) with service credit granted under this section and who subsequently reinstates shall forfeit the service credit granted under this section.

(h) Any member of the Defined Benefit Program who retires under this part for service under Chapter 27 (commencing with Section 24201) with service credit granted under this section and who takes any job with the school district, community college district, or county office of education that granted the member the service credit less than five years after receiving the credit shall forfeit the ongoing benefit he or she receives from the additional service credit granted under this section.

(i) This section does not apply to any member otherwise eligible if the member receives any unemployment insurance payments arising out of employment with an employer subject to this part within one year following the effective date of the formal action under subdivision (a), or if the member is not otherwise eligible to retire for service.

California Education Code section 24214.5

(a) Notwithstanding subdivision (f) of Section 24214, the postretirement compensation limitation shall be zero dollars (\$0) in either of the following circumstances:

(1) During the first 180 days after the most recent retirement of a member retired for service under this part.

(2) During the first six consecutive months after the most recent retirement if the member received additional service credit pursuant to Section 22714 or 22715 or received from any public employer any financial inducement to retire, as defined by subdivision (j) of Section 24214.

(b) If the member has attained normal retirement age at the time the compensation is earned, subdivision (a) shall not apply and Section 24214 shall apply if the appointment has been approved by the governing body of the employer in a public meeting, as reflected in a resolution adopted by the governing body of the employer prior to the performance of retired member activities, expressing its intent to seek an exemption from the limitation specified in subdivision (a). Approval of the appointment may not be placed on a consent calendar. Notwithstanding any other provision of Article 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code or any state or federal law incorporated by subdivision (k) of Section 6254 of the Government Code, the resolution shall be subject to disclosure by the entity adopting the resolution and the system. The resolution shall include the following specific information and findings:

(1) The nature of the employment.

(2) A finding that the appointment is necessary to fill a critically needed position before 180 days have passed.

(3) A finding that the member is not ineligible for application of this subdivision pursuant to subdivision (d).

(4) A finding that the termination of employment of the retired member with the employer is not the basis for the need to acquire the services of the member.

(c) Subdivision (b) shall not apply to a retired member whose termination of employment with the employer is the basis for the need to acquire the services of the member.

(d) Subdivision (b) shall not apply if the member received additional service credit pursuant to Section 22714 or 22715 or received from any public employer any financial inducement to retire.

(e) The Superintendent, the county superintendent of schools, or the chief executive officer of a community college shall submit all documentation required by the system to substantiate the

eligibility of the retired member for application of subdivision (b), including, but not limited to, the resolution adopted pursuant to that subdivision.

(f) If a member will be receiving compensation for performance of retired member activities before 180 days after the most recent retirement, the Superintendent, the county superintendent of schools, or the chief executive officer of a community college shall submit all documentation required by the system that certifies that the member did not receive from any public employer any financial inducement to retire.

(g) The documentation required by this section shall be received by the system prior to the retired member's performance of retired member activities.

(h) Within 30 calendar days after the receipt of all documentation required by the system pursuant to this section, the system shall inform the entity seeking application of the exemption specified in subdivision (b), or seeking to employ a retired member pursuant to subdivision (f), and the retired member whether the compensation paid to the member will be subject to the limitation specified in subdivision (a).

(i) If a member retired for service under this part earns compensation for performing retired member activities in excess of the limitation specified in subdivision (a), the member's retirement allowance shall be reduced by the amount of the excess compensation. The amount of the reduction may be equal to the monthly allowance payable but may not exceed the amount of the allowance payable during the first 180 days, in accordance with subdivision (a), after a member retired for service under this part.