

Governor Issues New Executive Order Suspending Postretirement Compensation Limitations

On August 16, 2021, Governor Newsom issued [Executive Order N-12-21](#), which, amongst other provisions, streamlined the CalSTRS exemption process that allows retired CalSTRS members to return to work within 180 calendar days of their retirement.

On January 11, 2022, Governor Newsom issued [Executive Order N-3-22](#), which, amongst other provisions, suspends the CalSTRS postretirement compensation limitations and procedural requirements in subdivisions (d), (f) and (g) of Education Code section 24214, and for a retired member that has attained the normal retirement age at the time the compensation was earned, subdivisions (a) through (g) of Education Code section 24214.5. Executive Order N-3-22 is effective immediately and applies to all compensation earned for the performance of retired member activities in a K-12 school district, county office of education or charter school, from July 1, 2021, to March 31, 2022. As of April 1, 2022, the provisions of Executive Order N-3-22 will expire and revert to the provisions of Executive Order N-12-21, if applicable.

All provisions of Executive Order N-3-22 must be followed, and apply to K-12 school districts, county offices of education, and charter schools. Below is a high-level overview of the provisions as they apply to CalSTRS retired members.

For CalSTRS purposes, between July 1, 2021, and March 31, 2022, the following applies:

- The annual postretirement earnings limit is suspended. Therefore, any retired CalSTRS member, regardless of age, can perform retired member activities at a K-12 school district, county office of education or charter school and be compensated for that service without impact to their retirement benefit.
 - Please note: the annualized rate of pay for retired member activities must not be less than the minimum, or exceed the maximum, paid by the employer to other employees performing comparable duties. This postretirement earnings requirement was not suspended.
 - If compensation earned for the performance of retired member activities between April 1, 2022, and June 30, 2022, exceeds the 2021-22 annual postretirement earnings limit of \$48,428.00, Education Code section 24214 in its entirety continues to apply for collection of earnings in excess of this limit.
- The 180-calendar day separation-from-service requirement is suspended for retired CalSTRS members who have attained normal retirement age*. Therefore, a retired CalSTRS member who has attained normal retirement age can be hired to perform retired member activities at a K-12 school district, county office of education or charter school and earn compensation for that service immediately after retirement with no impact to their retirement benefit.
- If a retiree is returning to work under this Executive Order, the requirement for employers to submit a request for exemption to the separation-from-service requirement is suspended. Therefore, employers do not need CalSTRS approval to hire a retired CalSTRS member who has attained normal retirement age to perform retired member activities.
 - There is no exemption to the separation-from-service requirement for a retired CalSTRS member who has not attained normal retirement age, and subdivisions (a) and (h) of Education Code section 24214.5 remain in effect for these members.
 - Employers must still fulfill the requirements of section (1) of Executive Order N-3-22 for the exemption to apply.
- All other CalSTRS postretirement requirements and limitations remain in effect.

*Normal retirement age:

Age 60 for CalSTRS 2% at 60 members

Age 62 for CalSTRS 2% at 62 members

CalSTRS created an [Employer Directive](#) detailing how the provisions of the Executive Order impact CalSTRS, school employers, and our retired members.

Please read the [Working After Retirement](#) publication for more information about these requirements.

For questions regarding how Executive Order N-3-22 applies to school employers and CalSTRS retired members, please contact us at Postretirement@CalSTRS.com.