

REPORTING OF POST-RETIREMENT EARNINGS

To provide clarification about the Post-Retirement Earnings Limitation as they relate to employees of a Third-Party or Independent Contractors.

- ✱ All retired members who perform Creditable Service are *subject* to the Earnings Limitation.
- ✱ All Creditable Service performed by retirees *must be reported* to CalSTRS as Non-Member (member code 2) with an assignment code 61 (retired).
- ✱ Working through a Third Party or as an Independent Contractor *does not exempt* a retired member from having their earnings reported to CalSTRS.

Third Party Example:

Member retires and is hired by a Third Party to perform services for a district that meets the definition of Creditable Service.

Even though the Third Party is paying the retired member, the earnings must be reported to CalSTRS as a means of monitoring the Earnings Limitation.

Working for a Third Party *does not exempt* a retired member from the Earnings Limitation.

Independent Contractor Example:

Member retires and is hired as an Independent Contractor by an employer such as a school district or county office of education to perform service that meets the definition of Creditable Service.

Even though the retired member is employed as an Independent Contractor, their earnings too must be reported to CalSTRS as a means of monitoring the Earnings Limitation.

Working as an Independent Contractor *does not exempt* a retired member from the Earnings Limitation.

For more information, please see [Employer Directive 2009-02, Post-Retirement Earnings Limit Change for 2008-09 fiscal year and the 2009-10 fiscal year.](#)

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