

HUMAN RESOURCES MEMORANDUM 06-012	DATE ISSUED: 07/07/2007
SUBJECT: RETIRED ANNUITANT HIRING PROCESS	REFERENCE: None
TO: Personnel Liaisons and Attendance Clerks	SUPERCEDES: None

PLEASE ENSURE THAT THIS INFORMATION IS SHARED WITH YOUR EMPLOYEES

Introduction

As a result of the passage of SB 1439 (Chapter 398, Statutes of 2004), effective January 1, 2005, the process of hiring retired annuitants has changed.

The existing law (Government Code Section 21224) allows a person retired from State service to be rehired by the State as a retired annuitant and work up to 960 hours in a fiscal year without the loss of retirement benefits.

SB 1439 amended Section 21224 to preclude a retired annuitant from returning to State employment if, during the 12-month period prior to the appointment, the retired annuitant received unemployment insurance based on State employment as a retired annuitant. This new law covers all State departments and other public employers that provide retirement benefits under CalPERS.

The new law does not apply to the following situations:

- First time an employee is appointed as a State retired annuitant (it only applies to subsequent State annuitant hires under Section 21224).
- Unemployment insurance was received as the result of employment with a private employer (such as a registry or a retailer).
- Unemployment insurance was received as the result of employment with a public employer who does not provide retirement benefits under CalPERS.

This change in the law is intended to prevent retired State employees from collecting three public stipends: a CalPERS retirement allowance, State salary, and unemployment insurance.

New Process

The Department of Human Resources (CalHR), CalPERS, and the Employment Development Department (EDD) worked together to develop the following new process for hiring retired annuitants under Section 21224. This new process requires you to provide such retired annuitant hired after January 1, 2005, with two forms, which must be completed by the employee and kept in the employee's official personnel folder (OPF) for audit purposes.

[CalHR Form 715](http://www.calhr.ca.gov/Documents/calhr-715.pdf) (<http://www.calhr.ca.gov/Documents/calhr-715.pdf>) is a self-certification form that requires the retired annuitant to certify whether or not he/she has received unemployment insurance.

- If a person applies for reemployment as a retired annuitant with the State, and self certifies that he/she received unemployment insurance based on prior State employment as a retired annuitant, this person is ineligible for employment with the State for 12 months after the date of the last unemployment insurance payment.
- If a person already has been appointed as a retired annuitant with the State on or after January 1, 2005, and this employee certifies that he/she received unemployment insurance from a CalPERS-covered employer prior to the appointment (or EDD later verifies that the person received unemployment insurance), you must separate this employee at the end of the pay period; this person will be ineligible to return to work with the State for 12 months.

EDD Form DE 1181 authorizes EDD to release to State employers the retired annuitant's records regarding unemployment insurance payments. The form includes processing instructions and EDD contact information. You can find the form at www.edd.ca.gov.

EDD anticipates it will take 10 to 30 days to process each Form DE 1181 and return the information to the inquiring department. While the EDD form is being processed, your department may hire a retired annuitant who certifies on CalHR Form 715 that he/she has not received unemployment insurance payments.

Questions

For questions regarding this memorandum, please contact your Personnel Specialist or Personnel Supervisor.

/s/

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cc: Personnel Analysts
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