

Senate Bill 765

- Effective July 1, 2024 – June 30, 2026
- Increased annual earnings limit
- Updated exemption requirements





CALSTRS

Annual Limit Increase

SB765 temporarily increases the postretirement compensation annual limit from 50% to 70% of the median final compensation of all members who retired from service during the fiscal year ending the previous calendar year.

2024-25 Annual Limit \$74,733

2023-24 Annual Limit \$50,655

Maintained Exemption Requirements

- CalSTRS must receive form prior to the retired member performing any activities for this requested exemption position.
- Retiree must be normal retirement age when the compensation is earned (age 60 for 2% at 60; age 62 for 2% at 62).
- Retiree cannot have received any financial inducement to retire.
- The appointment must be necessary to fill a critically needed position.
- The retiree's termination is not the basis for the critical need.

New exemption requirements

- Employer did not have a reduction-in-force layoff pursuant to Section 45117, 44955, 44955.5, or pursuant to any other similar state law authorizing the termination of its employees, within the prior 18 months.
- The employer shall provide a written copy of the completed documentation that substantiates the need for the exemption to the exclusive representatives of employees prior to the member's performance of retired member activities.

All exemptions submitted on or after July 1, 2024 must be on new exemption form, revised July, 2024.

Revised SR1897

- Additional Information Required

Section 1: Member Information – This section is to be completed by the retired member or the appointing authority.			
NAME (LAST, FIRST, INITIAL)		CLIENT ID OR SOCIAL SECURITY NUMBER	
MAILING ADDRESS			
CITY	STATE	ZIP CODE	TELEPHONE ()
EMAIL ADDRESS			LAST POSITION HELD
Section 2: Position Information – This section is to be completed by the appointing authority.			
Position Title:	Exemption Start Date No earlier than the date CalSTRS receives this form (MM/DD/YYYY):	Exemption End Date No later than 180 calendar days after the member's most recent retirement date (MM/DD/YYYY):	
Position Salary (Annual):	/ /	/ /	
PROVIDE NATURE OF EMPLOYMENT (I.E. DUTIES OF THE POSITION):			
IS THIS EXEMPTION REQUEST FOR A NEWLY CREATED POSITION? <input type="checkbox"/> YES <input type="checkbox"/> NO			
IF YES TO THE QUESTION ABOVE, PLEASE LIST ANY DUTIES/TASKS THAT OVERLAP FROM THE PREVIOUS POSITION HELD:			
DOES THIS POSITION REQUIRE THE MEMBER TO TRAIN OR MENTOR THE PERSON FILLING THE MEMBER'S LAST POSITION? <input type="checkbox"/> YES <input type="checkbox"/> NO			





Revised SR1897

- New Certifications

Section 4: Certification – This section is to be completed by the appointing authority.

I have read and fully understand the instructions for the exemption certification for separation-from-service requirement of a retired member as outlined in Education Code section 24214.5. I fully certify that (please initial each):

- The employer did not have a reduction-in-force layoff pursuant to Section 45117, 44955, or 44955.5, or pursuant to any other similar state law authorizing the termination of its employees, within the prior 18 months.
- The retired member's termination of employment is not the basis to fill the critically needed position before 180 calendar days have passed from the retired member's most recent retirement date.
- The retired member is of normal retirement age when the compensation is earned.
- The retired member did not receive any financial inducement to retire from any public employer, including, but not limited to, receiving additional service credit through the CalSTRS Retirement Incentive Program.
- The employer shall provide a written copy of the completed documentation that substantiates the need for the exemption to the exclusive representative of the employees prior to the member's performance of the retired member activities.

OR

- There is no exclusive representation for employees at this employer.

Wrap-Up

- Use SR1897 with revision date 07/24
- No electronic signatures on the SR1897
- Submit SR1897 or questions to Postretirement@CalSTRS.com

QUESTIONS??