



HSD Retiree Hire Back Under SB 1049 FAQ for Employees

October 2019

This document is not intended to be inclusive or to provide financial or legal advice. Please consult your financial advisor or legal counsel for retirement advice or questions related to your individual situation.

The following information is regarding the Public Employee Retirement System (PERS) changes designed to reduce long-term costs of the pension system by allowing members to retire when eligible without the previously required limit on hours worked for a lower overall pension amount.

- It is for employees considering retirement while continuing to work for any PERS employer. This bill eliminates the 1,039 Work After Retirement hour limitation for retirees during the period of January 1, 2020 through December 31, 2024.
- Retirees may work up to full-time and still maintain their PERS retirement status. Employers are not obligated to approve rehire of a retiree. In addition to overall qualifications, employers may consider staffing needs, resources, and duration of employment when making hiring decisions.

1. What are the main components and implementation timelines of SB 1049?

Detailed information may be found on the [SB 1049 – Information and Implementation \(http://bit.ly/SB1049\)](http://bit.ly/SB1049) page of the PERS website, including member-specific examples, flowcharts, and timelines.

2. Does the law provide retirees with the guarantee to re-employment following retirement?

No. It allows them to apply to work up to full-time with any PERS employer who hires them without tracking their employment hours.

3. How will the District handle 2020-2024 mid-year retirements?

Requests from employees who retire prior to the completion of the current school year and wish to remain in their position will be considered based on District needs and supervisor input. If approved, the retiree will receive the same rate of pay as prior to retirement and will be placed on a temporary contract for the remainder of the school year. The retiree will be covered by the contractual provisions of the employee's collective bargaining or benefit agreement, including medical and dental benefits. The retiree will no longer contribute 6% to PERS.

4. Will retirees be approved to continue in their positions beyond the end of the school year they retired from?

- While they may be allowed to continue in their position on a temporary contract through the end of the school year in which they retired, there is no guarantee of re-employment beyond that time. At the conclusion of the contract year in which the employee retires, their position may be considered open in accordance with the employee group's collective bargaining agreement.
- Depending on the language of the applicable bargaining agreement, the District may require retirees to go through the same hiring process as other external applicants (classified) or may use an abbreviated process (licensed). Decisions regarding staffing for the following year will be made in the spring.

5. What happens to my status as a non-probationary employee, seniority, sick leave, and other paid leave?

- Retirement constitutes a break in service. Licensed and administrator retirees will be probationary for the first three years and classified retirees will be probationary for the first nine months of employment following rehire. The rehire date will serve as the effective seniority date and will begin on the first work day following effective retirement.
- Accumulated sick leave may be calculated into the final retirement benefit at a prorated calculation of (days worked)/(contract days). Unused personal days may be carried over. Accumulated vacation leave may be cashed out or carried over using a prorated calculation of (days worked)/(contract days).
- Upon rehire, retirees will be eligible to accumulate leave under the appropriate work agreement from the rehire date. Retirees will be covered by the relevant collective bargaining agreement or memorandum of agreement. Pay will be based on years of relevant experience and education/training related to the applicable job description.

6. What are my next steps if I am interested in retiring?

Interested employees will need to contact [PERS member services \(http://bit.ly/PERS101\)](http://bit.ly/PERS101) for individual consultation on pension options and calculations. Next, they should contact their supervisor/principal in writing at least 60 days prior to intended retirement date to request continued employment. Your supervisor will work with HR to determine next steps. The rehire date will be the seniority date for retirees returning to work.

7. Can current or former retirees work full-time without limitation during the SB 1049 enacted legislation from January 1, 2020 to December 31, 2024?

Yes, they may work full-time without limitations during this time period.

8. When does this SB 1049 take effect and how does this affect the contract bargaining agreements between the unions?

Current rules are in effect through December 31, 2019. The District is working with HCU and HEA to create MOAs as applicable.

Resources

1. [SB 1049 – Information and Implementation \(http://bit.ly/SB1049\)](http://bit.ly/SB1049)
2. [PERS member services \(http://bit.ly/PERS101\)](http://bit.ly/PERS101)