



District Business and Advisory Services

Bulletin: 27-006

Date: October 16, 2026

To: District Chief Business Officers
District Directors of Fiscal Services
District Human Resources and Payroll Managers
District Human Resources and Payroll Personnel
Charter School Administrators

From: Reema Popli, Director - District Business Services
Nghia Do, Advisor - District Business Services

Re: Reporting Postretirement Earnings to the California State Teachers' Retirement System (CalSTRS)

The purpose of this bulletin is to remind districts that, in accordance with Education Code section 22461, upon retaining the services of a retired CalSTRS member, employers are required to take certain actions regardless of the employment relationship to the retired CalSTRS member. Retirees may perform services as an employee of an employer participating in CalSTRS, an employee of a third party, or an independent contractor.

All employers should:

- **Advise the retired CalSTRS member** of the earnings limitation, employment restrictions, and the extended wait period for those who receive retirement incentives.
 - Retirees cannot work in a classified position except under certain narrow circumstances, such as a teacher's aide (Education Code section 22461).
 - Retirees cannot earn more than the annual postretirement earnings limit without affecting their CalSTRS retirement benefit. For the **2026–27 fiscal year, the limit is \$59,565.**
 - If earnings exceed the limit, their retirement benefit will be reduced dollar for dollar.
 - A 180-calendar day separation-from-service wait period is required for a retiree to return to work. If retirees return to work before this waiting period concludes, their benefit is reduced dollar for dollar for all earnings during those 180 days.
 - Members who retire with a retirement incentive under Education Code section 22714 will lose the increased service credit attribute if they return to employment within five years of receiving the incentive.
- **Maintain accurate records** of the retired CalSTRS member's earnings and report those earnings each month to CalSTRS and the retired member, regardless of the method of payment or the fund from which payments were made.

Reporting postretirement earnings of retired CalSTRS member who perform services as an independent contractor

District Responsibilities:

- When hiring independent contractors who are also CalSTRS retirees, note the requirements of Education Code 22461.
- Notify the independent contractor of their responsibility for retired CalSTRS member's earnings limitations and any retirement incentive employment restrictions that may be applicable (CalSTRS Employer Directive 2026-04).
- If hiring an independent contractor, maintain accurate records of the retired member's earnings.
- Report on the earnings of independent contractor retirees to CalSTRS each month.
- For retired CalSTRS members who perform services as independent contractors, report the earnings with Member Code 2 and Assignment Code 61 to CalSTRS each month using the following steps:

Step 1: Create Demographic (MA) for an independent contractor or an employee of a third party on the QCC Employee Maintenance screen.

- ✓ Last Name
- ✓ First Name
- ✓ Mailing Address
- ✓ Hire Date
- ✓ Date of Birth

Step 2: Maintain an excel spreadsheet to report on the monthly earnings to CalSTRS. The template should be like the one below:

DISTRICT NAME: ABC											
REPORTING MONTH: OCTOBER 2026											
SSN	CALSTRS ID	Retiree (Last, First Name)	Member Code	Assignment Code	Units	Pay Rate	Pay Code	Earnings	Contribution Code	Service Began	Service Ended
xxx-xx-xxxx	xxxxxxxxxx	Example, One	2	61	Hours	Hourly	4	Hourly Rate x Units	0	10/1/2026	10/31/2026
xxx-xx-xxxx	xxxxxxxxxx	Example, Two	2	61	Days	Daily	8	Daily Rate x Units	0	10/1/2026	10/31/2026
xxx-xx-xxxx	xxxxxxxxxx	Example, Three	2	61	1	Lump Sum	0	Lump Sum	0	10/1/2026	10/31/2026

Step 3: Email the spreadsheet to your assigned DBAS accounting specialist by 5:00 PM on the closing day of the "End of Month" payroll.

DBAS Responsibilities:

- DBAS accounting specialists will manually input the retired CalSTRS member's earnings information from the spreadsheet provided by each district to the QCC Retirement module each month.

Reporting postretirement earnings of retired CalSTRS members who perform services as an employee of a third party

Retired CalSTRS members employed by a third party are excluded from the post-retirement earnings limit and related provisions provided they meet all the following criteria:

- The retired CalSTRS member is employed by a third party that does not participate in a California public pension system.
- The activities performed by a retired CalSTRS member are not normally performed by an employee for that employer.
- The activities are performed for a limited term of 24 months or less.

Reporting retired CalSTRS member earnings is not required for retirees who are employed by a third party under the narrow conditions described above. However, CalSTRS note that they have not identified any examples of service that would meet all these criteria.

District's Responsibilities:

- Follow the same process described above for reporting post-retirement earnings of retired CalSTRS members who perform services as independent contractors.

DBAS Responsibilities:

- DBAS accounting specialists will manually input the retired CalSTRS member's earnings information from the spreadsheet provided by each district to the QCC Retirement module each month.

Reporting postretirement earnings of retired CalSTRS members who perform services as an employee of a CalSTRS-participated employer.

District's Responsibilities:

- Notify the employee of their responsibility for retired CalSTRS member's earnings limitations, employment restrictions, and any retirement incentive wait period restrictions that may be applicable (CalSTRS Employer Directive 2026-04).
- Use the table below when reenrolling the employee into the payroll system:

<u>Retired RS: 03 & St-Ded: TMNSR</u>				
	<u>CURRENT</u>	<u>ARREARS</u>	<u>RETRO</u>	<u>Ret. Base (Pay Rate)</u>
10 Month Contract	61-3-0	61-3-3	61-3-5	Monthly
11 Month Contract	61-2-0	61-2-3	61-2-5	Monthly
12 Month Contract	61-1-0	61-1-3	61-1-5	Monthly
SPC	61-0-6	61-0-6	61-0-6	Rate = Ret. Base Always
Substitutes	61-4-0	61-4-3	61-4-5	Hourly
Substitutes	61-8-0	61-8-3	61-8-5	Daily
Part-Time/Adult Ed	61-4-0	61-4-3	61-4-5	Hourly
Part-Time/Adult Ed	61-8-0	61-8-3	61-8-5	Daily

Please share this memo with your district as needed.

For questions, please contact Nghia Do at NDo@sccoe.org