



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 12

MEETING DATE: March 18, 2026

SUBJECT: Education: Post-Retirement Employment

SUBMITTED FOR: Action X Information

RECOMMENDATION

Receive and file the presentation on post-retirement employment laws and policies.

PURPOSE/STRATEGIC PRIORITY

This item provides an update on employer compliance with new reporting requirements under Government Code section 31680.9.

DISCUSSION

This presentation offers an overview of the provisions governing post-retirement employment. It serves to inform decisions on current and future post-retirement employment matters.

ATTACHMENTS

- Board Order
- Post-Retirement Employment presentation

Prepared by:

/S/

Keith Riddle
Chief Benefits Officer

Reviewed by:

/S/

Eric Stern
Chief Executive Officer



Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
March 18, 2026

AGENDA ITEM:

Education: Post-Retirement Employment

THE BOARD OF RETIREMENT hereby approves the Staff recommendation to receive and file the presentation on post-retirement employment laws and policies.

I HEREBY CERTIFY that the above order was passed and adopted on March 18, 2026 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

Chris Giboney
Board President

Eric Stern
Chief Executive Officer and
Board Secretary



Post-Retirement Employment

March 18, 2026

Background

- Federal, state laws prevent “double dipping” abuse
 - IRS-required break in service
 - Actuarial cost when members retire early and keep working
 - Workforce impacts, displacing new members
- Strengthened by Public Employees’ Pension Reform Act (2012)
 - Closed contractor loophole
 - Retiree faces harshest consequences for violations
- SCERS’ policy (revised 2019) adds further direction
- AB 2474 (2024) and SB 853 (2025) expanded employer reporting requirements, effective January 1, 2026

Post-Retirement Work Limits

- Emergency to prevent work stoppage or skills needed for a limited duration
 - Employer determines business need
 - SCERS defines “limited duration”
- 180-day waiting period after retirement, with exceptions
 - Public Safety
 - Non-Safety, if approved in open session (not on consent) by governing body
 - Cannot be waived if received an incentive to retire
- 960-hour annual limit
 - Waived by Executive Order during COVID, fires
- Rate of pay similar to employees performing comparable duties

SCERS Policies

- Post-Retirement Employment Policy revised in 2019 to further incorporate PEPRA changes
 - Clarified restrictions on third-party employment
 - Defined “limited duration” as 36 consecutive months
 - Two 1-year extensions approved by employer
 - Public Safety unlimited 1-year extensions
 - Added biannual employer-reporting requirements
- Bylaws define IRS bona fide break in service
 - If under normal retirement age, must have a bona-fide break in service, even if exception to 180-day rule applies.
 - Age 62 for miscellaneous members
 - Age 50 for safety members
 - Minimum 15-day break in service
 - No pre-determined employment agreement

New Laws: AB 2474 (2024) & SB 853 (2025)

- SCERS Board added conforming policy amendments 10/15/2025
- Provides flexibility for violations
 - Allows County retirement systems to treat excess hours as overpayments that can be recovered from retiree
- Expanded reporting requirements
 - Employer must report a retired member employed in any capacity within 30 days of hire
 - Employer must report pay rate and number of hours worked
 - Fee of \$200 per member, per month may be assessed for non-compliance with these sections
- Modeled after similar law for CalPERS (SB 411, 2021)

Outreach and Direction to Employers

- Discussed at Employer Forums in 2025, 2026
- Provided notice and reporting template to employers on 12/10/2025
 - Semi-annual report: retiree name, pay rate, hours worked, duration of post-retirement employment, approved extensions
 - County is a single employer for all County departments
- Applies to working retirees employed in any capacity at a SCERS participating employer, including contractors
 - Upon request, SCERS will provide determination letter if contractor is subject to rules

Key Take-Aways

- Retirees can help fill critical staffing needs, but rules must be followed
- No loopholes for contractors (since 2013)
- Legislature continues to ramp up enforcement and compliance
- This is serious
 - Retirees face harshest consequences for violations
 - Suspension of pension
 - Repayment of pension
 - Reinstatement into active service
 - Penalties now expanded to employers

Headlines

THE STATE WORKER

CalPERS audit found widespread violation of laws meant to curb pension ‘double-dipping’

By Wes Venteicher

Updated May 10, 2022 9:15 AM |  Gift Article

California retirees violated post-employment pension laws, state appeals court decides

THE SACRAMENTO BEE

LOCAL

Sacramento police department cuts 41 reserve officers

Next Steps

- Continued outreach to employers on reporting rules
 - Ongoing dialogue with County regarding consolidated reporting from all departments
- First reports received under new rules
 - More retirees identified, but concerns of underreporting
 - Fines may be needed to ensure compliance
 - Future SCERS audits
- Staff to revisit Policy with Board later this year
 - Consider additional flexibility for limited duration period (e.g. poll workers)