

## **The Pension Trust**

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805/781-5465 [www.SLOPensionTrust.org](http://www.SLOPensionTrust.org)

### **Working While in Retirement**

What are my alternatives for holding another job while I am retired from the SLOCPT?

#### **Jobs anywhere else except here -**

Drawing a pension from your employment with SLO County does not prevent you from having a full-time or part-time job in the private sector. You can earn a paycheck outside of government service and receive your pension as well. The two sources of income may place you in a higher income tax bracket, so you may wish to consult a tax advisor for any impacts this may have on your individual tax situation.

#### **Public Sector jobs -**

Likewise, drawing your SLOCPT pension does not disqualify you from working for the State of California, or another County, municipality or special district. As long as it is not one of the governmental entities that are part of the SLOCPT, that is SLO County, the SLO Superior Court, SLO County APCD, LAFCO or the RTA. We have a number of actively employed SLO County employees who are drawing a pension from CalPERS or another County retirement system and that does not pose a problem.

Warning! If you are also receiving a CalPERS pension or one from another County as well as your SLO County pension (e.g., you are “Reciprocal”), confer with that pension system before taking a job in the State or that County. You may be classed as a “Retired Annuitant” and eligible only for limited Temporary employment as discussed below.

#### **SLO County job - Regular -**

If you just can't put up with all that leisure time in retirement and you are compelled to return to regular employment with SLO County (or one of the other agencies that participate in SLOCPT), you will need to “Reinstate.” from retirement. Being Reinstated in the SLOCPT must be done before you start that new job. Please contact SLOCPT to obtain further details. It takes SLOCPT Board of Trustees approval and a job offer, so it's a big process. It also means suspending your pension benefit while you work more and add more service to your pension once you finally really, really, retire. Additionally, while your original tier placement will remain intact, any regular employment after reinstating will result in being placed in a lower tier of benefits from that point forward.

## **SLO County job -- Temporary --**

Many of our Retirees work off and on for SLO County as Temporary employees after they are retired.

Retirees working as Temps are an invaluable resource for SLO County! They have the skills and training needed and they are ready to go from day one. Think of all the useful and seasonal things the County needs able people for – elections, pandemic vaccination sites, insect trappers, etc. And when an employee is out on a long leave like maternity/paternity, it is often helpful to cover their job with the Retiree who did that same job not that long ago.

Retirees working as Temporary employees of SLO County are subject to the following limits:

- **180 waiting period** after you retire before you can come back as a Temp - required by the Public Employees' Pension Reform Act (PEPRA) of 2012 law statewide.
- **Temp employment only** – no benefits, no accruing new pension credits, and at the rate of pay no higher than what that job class provides for on the standard scales.
- **Other limitations** – no use of unemployment benefits for 120 days prior, pay rate tied to the standard County pay scale.
- **Maximum of 960 hours** worked in a Fiscal Year. If you work more than 960 hours the SLOCPT will suspend your pension benefit for the remainder of the fiscal year - and that gets really unpleasant for everyone.

## **What about that 180-day waiting period?**

Historically, employees could retire on Friday and show up on Monday as a Temp – to presumably train their successor (although sometimes they remained “temporary” past any reasonable definition of that word...). The PEPRA law of 2012 now firmly prohibits this within 180 days after retirement. The only way to waive the 180-day waiting period is a complicated process – which is just what the law intended.

- **Critically Needed** – The County must determine that the appointment is necessary to fill a critically needed position. This is a fact-specific analysis and requests are evaluated on a case-by-case basis by Department Heads, the Administrative Office, and County Counsel. It is a high bar, and not intended to be a substitute for succession planning or timely recruitment efforts.
- **Board of Supervisors Approval** – BoS must approve the appointment in an open public meeting, typically by resolution, and not on the Consent agenda. This oftentimes places an unwanted spotlight on the Retiree and the department.

## **SLO County job – Contractor??**

What about coming back as a “Contractor” and not a “Temp”? Various labor laws have really tightened up who can qualify as an Independent Contractor. An independent contractor must be free from the direction and control of the hiring entity in connection with the performance of the work, they must perform work that is outside the usual course of the hiring entity’s business, and they must be customarily engaged in an independently established trade, occupation, or business

of the same nature as that involved in the work performed. In other words, just coming back to your old job and calling yourself a “Contractor” is very unlikely to pass legal review.

So, if you want or need to work in retirement – do so! Just be really careful about being a Temporary employee for SLO County.

*Thanks to Jenna Morton of County Counsel and Lisa Winter of the SLOCPT for invaluable comments and corrections to this article!*

As always – contact the SLOCPT at 805/781-5465 or email at [slocpt@co.slo.ca.us](mailto:slocpt@co.slo.ca.us) for questions about the SLO County pension that is a core part of your retirement plan.