

Chart on Exempt from the Cap Retiree Options for FY 2009-10

The LEA can hire retirees if it is within their budget, planning and desire. However, if a retiree is hired exempt from the cap in August and the sunset is not extended, the retiree is required to do one of the following:

1. Revert to subject to the cap status (see chart below),
2. Resign, or
3. Come out of retirement to work full time.

Reemployed retirees returning to work subject to the cap must:

- 6 month break required (only bona fide volunteering is allowed during six month break)
- Must not exceed earnings cap (if exceeded, retirement pension will be suspended)
- Must be part-time (less than 30 hours per week) if status is permanent
- May be interim, substitute, or temporary status (full or part-time, no benefits)
- Must NOT be in permanent full-time status
- LEA is NOT required to contribute 11.7% to the Retirement System

NOTE: All earnings received during the timeframe worked while (January 1 - September 30, 2009) "exempt from the earning cap" will **not** be counted towards the "subject to the cap earnings".

The following chart provides the expected conditions for the transition from "exempt from the cap" to "subject to the cap":

Year	Month	Options	Concerns
2009	Aug 1 - Sept 30	Work exempt from cap	<ul style="list-style-type: none"> • No earning restriction for these two months.
2009	Oct 1 - Dec 1	Start working subject to cap	<ul style="list-style-type: none"> • Subject to the cap for three months for year 2009. • Not likely to go over cap. • These three months are subject to the cap earnings only for the remainder of 2009.
2010	Jan 1 – June 15	Working subject to cap	<ul style="list-style-type: none"> • New earning cap for this year. • Earning starts over. • Subject to cap for approximately six months to finish school year. • Close monitoring is required due to greater chances of going over cap. • It is the employee's responsibility to monitor cap.
2010	Aug	New school year and continuing to work subject to cap	<ul style="list-style-type: none"> • Keep in mind this in the same earning cap year (some employees might have exceeded cap and some may at this point not)

Notes: The employee's income will be the key factor whether they go over the cap during the time frame of 2010 from January – June

It is the responsibility of the employee to make sure that the cap is not exceeded.