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**Certificated Postretirement Earnings Limit and
Legislative Changes for 2006-07**

The State Teachers' Retirement System (STRS) postretirement earnings limitation for the 2006-07 fiscal year is \$27,060. The limitation is adjusted annually based on the average salary of Defined Benefit Program members. The postretirement earnings limitation for 2006-07 is \$880 *lower* than 2005-06 because average salaries during 2004-05 and 2005-06 were inadvertently overstated by STRS. STRS reports that it will not recalculate the earnings limit for 2004-05 and 2005-06, and will not collect against a recalculated earnings limit.

There has been one legislative change to Education Code Section 24214(e)(1) to the 12-month break exemption language, due to AB 224 (Chapter 351/2005). Effective January 1, 2006, the period of 12 consecutive months begins from the effective date of the member's most recent retirement.

The employer is required by Education Code Section 22461 to inform STRS retired members who perform credible service as employees, employees of a third party, or independent contractors about the annual earnings limitation. Activities considered to be creditable service and, therefore subject to the earnings limitation, are listed in Education Code Section 22119.5.

Specific questions regarding the postretirement earnings limitation should be directed to STRS staff at (800) 228-5453.

—*Maureen Evans and Sheila G. Vickers*