Return-to-Work/ Employment after Retirement


2013

**Montana.** Chapter 238, Laws of 2013 (MT H 78), clarifies break-in service requirements for postretirement employment and limitations under the Teachers’ Retirement System, relates to public officers and employees.

**West Virginia.** Act 167 of 2013 (WV H 2469), increases the cap on earnings during temporary reemployment after retirement, relates to holders of public office.

2012

**Arizona.** Chapter 362, Laws of 2012 (AZ H 2746), relates to retired state employment members who return to work, provides for employer contributions to an alternate contribution rate unless the retired member is required to participate in another state retirement system and the retired member returned to work before a specified date, relates to investment managers, investments, stocks and bonds.

**Idaho.** Chapter 169, Laws of 2012 (ID H 579), amends and repeals existing law relating to employment of retired teachers or administrators, removes a provision regarding the fact that a section regarding a retired school teacher or administrator can continue to receive benefits without obtaining further credit or paying in contributions during such reemployment would not be applicable to all employment, including employment of retirees who were employer before a specified date.

**Kansas.** Chapter 171, Laws of 2012 (House Bill 2333), extends for three years to July 1, 2015, a salary cap exemption for public school professionals who go back to work after retiring from the Kansas Public Employee Retirement System and who are employed full time by the same KPERS participating employer. The latter will continue to pay a special KPERS contribution rate for retired members who return to work.

**Maryland.** Chapters 469 and 470, Laws of 2012 (Senate Bill 250 and House Bill 84, companion bills), reduce from nine to five the number of years that a Correctional Officers’ Retirement System (CORS) and State Police Retirement System (SPRS) retiree must wait in order to be exempt from a reemployment earnings limitation. Chapters 526 and 527 (Senate Bill 497 and House Bill 630, companion bills), exempt Employee Retirement System and Employee Pension System retirees from the earnings limitation if they are reemployed as contractual parole and probation officers for up to four years.

**South Carolina.** Act 278, Laws of 2012 (House Bill 4967), places a limit on the amount that can be earned when a retiree from the South Carolina Retirement System returns to covered service, affecting those who retire on or after January 2, 2012. Current law does not limit earnings of a returning retiree. This law requires an absence from employment of 30 days and suspends retirement benefits after the returning retiree has earned $10,000. Retirees will be able to repeat the process yearly.

The limitation will not apply to people who are at least 62 years old when they retire, or those returning to specified elective or appointive positions.

Similar provisions will apply to members of the Police Officers’ Retirement System, except that people who are at least 57 years old when they retire will not be subject to the limit on earnings.

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2011

**Arizona.** Chapter 357, Laws of 2011 (Senate Bill 1609) establishes an Alternative Contribution Rate for employers whose employees are members of the Arizona State Retirement System or any other state plan, for retired members who perform

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services that otherwise would be performed by an employee—that is to say, retired members who return to employment as an employee either as a direct employee, leased employee or contractual employee.

The contribution level will be based on the contribution required to amortize the unfunded liability of the ASRS plus the cost of long-term disability benefits. It will begin on the employee’s first day of employment. It is to be calculated annually by the ASRS actuary.

The retired member will not accrue credited service, member service (for UORP), account balances, retirement benefits or long-term disability program benefits, and the time will not later be eligible for service purchase. Chapter 277, Laws of 2011 (House Bill 2024) provides additional detail on these changes.

Arkansas. Act 558, Laws of 2011 (Senate Bill 127), requires employers to make retirement contributions for retired persons who return to covered service as they do for active employees, and provides that when employees enter the Arkansas Public Employees’ Retirement System Deferred Retirement Option Plan, employers shall continue to make contributions on behalf of members to the retirement plan.

Maine. Chapter 380, Public Laws of 2011 (L.D. 1043, the Biennial Budget Bill for fiscal years 2012 and 2013) makes changes that affect state employees, legislators and judges. State employees or teachers who are 1) of normal retirement age; 2) retire after July 2011; and 3) return to work in a position covered by the State or Teacher Retirement Plan may work no more than five years and only at a salary not more than 75 percent of the salary established for the position. Substitute teachers are exempt from this provision.

Maryland. Chapter 6, Laws of 2011 (House Bill 176) reduces from nine to five the number of years that a retiree of the Employees’ Retirement System (ERS), Employees’ Pension System (EPS), Teachers’ Retirement System (TRS), or Teachers’ Pension System (TPS) must wait in order to be exempt from a reemployment earnings limitation if the retiree is hired by the individual’s last employer prior to retirement. [The earnings limitation is designed to limit a return-to-work employee’s income from salary or wages plus pension to the amount of average final compensation at the time of the person’s retirement. This act does not change the formula, but reduces the period in which it affects individual retired people.]

Massachusetts. Chapter 176, Acts of 2011 (Senate Bill 2065 in its final version) increases the maximum allowed earnings for a person who returns to covered service after having been retired for at least one year by $15,000.

New Mexico. Chapter No. 2011-6, Laws of 2011 (House Bill 129) requires retired teachers who return to employment covered by the Education Retirement Association (ERA) member to pay the same amount of member contributions as active employees, and removes the requirement for employers to pay both the employer and employee contributions to the ERA fund. Under previous law, the employer pays 100 percent of employee contributions for return-to-work employees, as well as the employer contribution. The Legislative Finance Committee has estimated the General Fund savings that will result from shifting contributions to the return to work employee to be more than $4.8 million.

[Starting in July 2011, employers will contribute 9.15 percent of a worker’s salary into the pension program and employees will pay 11.15 percent if the employee earns more than $20,000 a year. The amount paid by employees has been rising — up from about 7.9 percent two years ago — because of temporary budget-balancing measures approved by the Legislature. A similar contribution requirement was enacted in 2010 for state and local government workers who retired and went back to work before July 2010. Those workers are covered by the Public Employees Retirement Association.]

Utah. Chapter 138, laws of 2011 (Senate Bill 127), amends provisions related to a retiree who returns to work for a participating employer. The bill allows a retiree who begins reemployment with a participating employer on or after July 1, 2010, to be reemployed within one year after a waiting period of at least 60 days, if the retiree does not receive any employer paid benefits or the retiree does not earn more than a specified amount. The earning limitation is the lesser of $15,000 or 50 percent of the retiree’s final average salary.
2010

**Colorado.** Chapter 2, Laws of 2010 (SB 1), requires a retiree who returns to work for a PERA employer to make a contribution to PERA equal to the member contribution, and specifies that working retiree contributions are not credited to the retiree's member contribution account.

**Georgia.** Act 455, Laws of 2010 (HB 916), provides that if a retiring employee has not reached normal retirement age on the date of retirement and returns to any paid service, his or her application for retirement shall be nullified; provides that certain service as an independent contractor shall not result in a suspension of retirement benefits.

Act 457, Laws of 2010 (HB 969), provides that retired teachers who have reached normal retirement age have two options if they return to a position that ordinarily would require membership in the teachers’ retirement system:

- Contribute to the system, in which event the member’s retirement benefit will cease and the retired member will reestablish active membership in this retirement system. The member will have the same creditable service that the member possessed at the time of retirement and will accumulate additional creditable service so long as such active membership continues. Upon cessation of such service, the retired member, after proper notification to the board, will receive a retirement benefit based on the member’s total accrued service reduced by any amounts already received; or
- Not contribute to the system, in which event the member’s retirement benefit shall not cease, and no additional benefits will accrue.

It will be the employer’s responsibility to see that teachers who return to covered service follow the rules specified above although the teacher has a responsibility to notify the employer of his or her retirement status before accepting a position.

**Hawaii.** Act 179, Laws of 2010 (HB 2533), provides that retirees of the Hawaii Retirement System may not be rehired by the state or a county government unless they are re-enrolled in the retirement system, with exceptions. Those who are rehired without being re-enrolled, when identified, are required to reimburse the system the amount of benefits received, make the employee contributions they would have owed with 8% annual interest, and contribute to the system for the administrative costs it bore in the matter, if the employee is found to have been at fault. Employers of such employees are to make the foregone employer contributions to the system with 8% interest, and contribute to the system for its administrative expenses, if the employer is found to have been at fault.

Exceptions to the above provisions exist for elected officials, jurors and precinct officials, certain part-time or temporary employees, and people who were not employed by state or county for 12 months and then return to a position identified as a labor shortage or difficult-to-fill position. Teachers may return after 12 months to a position the Department of Education or a charter school has identified as difficult to fill, if no agreement had previously been made between employer and employee that the person would be asked to return. In both sets of circumstances, employers are to make employer contributions to the Hawaii Retirement System, but those who return do not earn service credit or additional benefits for the service.

**Illinois.** Public Act 96-0889 (SB 1946) covers most statewide retirement plans including the state employees’ plan (SERS) and the state teachers’ plan (TRS). For employees entering the plans on or after January 1, 2011, it provides that annuities will be suspended for a person who returns to service covered by the systems included in the act. The legislation says the benefit will be recalculated “if appropriate,” without explaining under what circumstances re-calculation would be appropriate. See, for example, in Section 1 of the legislation, 40 ILCS 5/1-160 (h).
**Maryland.** Chapter 698, Laws of 2010 (HB 774 /SB 498), increases the maximum average final compensation from $10,000 to $25,000 that retirees of the Employees Retirement and Pension System must have at the time of retirement in order to be exempt from a reemployment earnings limitation.

**Michigan.** Act 75 of 2010 (SB 1227) provides that retirees who retire after July 1, 2010 and work directly for a MPSERS reporting unit, may maintain pension and health benefits if they earn less than 1/3 of their final average compensation. If they earn more than 1/3 of their final average compensation, their pension and health care benefits would be suspended until the employment ends.

For those retirees who retire after July 1, 2010 and afterward perform core services for a MPSERS reporting unit but who are employed independently or by a third party, the bill would suspend their pension and health care benefits.

**Mississippi.** Chapter 546, Laws of 2010 (HB 957), provides that no one who is being paid a retirement allowance or a pension after retirement can be employed or paid for any service by the State of Mississippi, including services as an employee, contract worker, contractual employee or independent contractor, until the retired person has been retired for 90 consecutive days from the effective date of retirement. Thereafter the person may be reemployed while being paid a retirement allowance. Employers are to make the full employer contribution for the person who is re-employed. People who return to covered employment while receiving a retirement benefit are not eligible to earn additional service credit while so employed.

**New Mexico.** Chapter 18, Laws of 2010 (SB 207), amends the return-to-work (RTW) program in the Public Employees Retirement Act. The bill does not affect members of the Education Retirement Board plan. For retirees returning to a PERA-affiliated employer on or after July 1, 2010, the following conditions will apply:

- The period before a retired person can return to covered employment is extended from 90 days to 12 months, during which the return-to-work (RTW) employee cannot act as an independent contractor for the employer from which the employee retired.
- The retiree then has two options:
  1. Suspend the pension, choose not to contribute to PERA and not earn service credit for the period of reemployment; or
  2. Suspend the pension, rejoin PERA, accrue additional service credit and be eligible to have the pension recalculated when the period of employment ends.

RTW employees in the program as of July 1, 2010, will be subject to current provisions. Currently, RTW employees wait out 90 days, do not suspend pension, and the employer pays both the employee and employer contributions (or the actuarial cost as determined by PERA). However, the bill would require RTW employees to pick up the employee contribution as of the effective date, leading to savings for employers.

The bill deletes the exemptions for an appointed chief of police or undersheriff but retains the exemptions for a retired member who works for the legislature during the legislative session and for a retiree who is an elected official. Exempted employees do not suspend their pensions for the duration of employment or term of office.

PERA explained in *La Voz* in March 2010:

An unintended consequence of double dipping recently began to impact the financial solvency of the program. Double dipping was encouraging employees to retire earlier than they would have otherwise. There was no incentive for a retiree to work until he or she reached their pension maximum when the opportunity to receive a pension and a salary was available by retiring and returning to work. The practice of employees retiring when they were first eligible resulted in the employee paying into PERA for a shorter period of time, receiving a pension sooner and being eligible for a 3% Cost-of-Living
Adjustment (COLA) sooner. PERA’s latest experience study indicated that the return-to-work program was no longer cost neutral to the fund and that PERA contributions would need to be increased in the future if the trend continued.

**South Dakota.** Chapter 23, Laws of 2010 (SB 18), provides that retirement benefits will be cancelled for any retired member who returns to covered service within three months of retirement. The retiree must repay any benefits received in the period, or accept an offsetting actuarial reduction in eventual retirement benefits.

For those who return to covered employment after three months, retirement benefits shall be reduced by 15% and the member forfeits annual increases during the period of re-employment. Employee and employer contributions will be made during the period of re-employment. The employee contributions will be deposited in a deferred contribution retirement account. The employer contributions will be made to the Retirement System without any credit to the member, and the member cannot earn additional service credit during the period of re-employment.

**Utah.** Chapter 263, laws of 2010 (SB43), provides that after July 1, 2010 a retired person who returns to employment with any employer covered by the Utah Retirement System (URS) within one year of retirement is returned to active service, the employee’s retirement benefit is cancelled, and the employee can earn additional service credit. Anyone who returns to any covered employment after a one-year separation may choose to continue to receive a retirement benefit and forfeit accumulation of any additional retirement credit (though the employer must pay an amortization rate to URS) or may choose to cancel his or her retirement benefit and earn additional service credit for the period of re-employment. Two years’ service is required to earn additional credit. The benefit will be recalculated when the employee finally retires.

Previous law allowed return to covered employment after six months but the six-month requirement was waived for work that was less than 20 hours a week or was with a different agency than the one from which the person retired. A retiree is also prohibited from part-time and contractual work during the separation period.

**2009**

**Arkansas.** Act 743 of 2009 (SB 165) provides that a member of the Teachers Retirement System is not considered separated from covered employment if the retiree returns to covered employment within 180 days (30 days under former law). Does not apply to members over age 65; to members with 38 years or more of covered service, or to members who retire on or before July 1, 2009, until when the 30-day rule remained in effect.

The act repeals the earnings limitation for retirees who return to covered service. It requires employer contributions to be paid on behalf of all ATRS retirees who return to covered service regardless of age, at the employer contribution rate in effect for other employees at the time of employment.

**Georgia.** Act 275 of 2009 (HB 202) provides that any retired member of the Teachers Retirement System who has not yet reached normal retirement age returns to service as a public school employee in any position which normally requires membership in this retirement system, such member's retirement benefit shall cease and the retired member shall reestablish active membership in the retirement system. The member shall have the same creditable service which the member possessed at the time of retirement and shall accumulate additional creditable service so long as such active membership continues. Upon cessation of such service, the retired member, after proper notification to the board, shall receive a retirement benefit based on the member's total accrued service.

**Indiana.** HB 1546 terminates, temporarily, retirement benefits for any member of the Public Employee Retirement Fund who has a formal or informal agreement with an employer to become reemployed in a covered position after the member's retirement made before applying for retirement. The following apply to the member's continued employment:

1. If a member has received a retirement benefit:
   1. (A) the member's retirement benefit shall stop; and
   1. (B) the member shall repay the amount of the retirement benefit received.
2. The member shall make contributions as required by law throughout the period of the member's continued employment.
3. Employer contributions shall be made throughout the period of the member's continued employment.
4. The member shall earn creditable service for the member’s continued employment.
(5) When the period of the member’s continued employment terminates, the member may again file an application for retirement benefits under this chapter.

**Kansas.** Chapter 137, Laws of 2009 (HB 2072) increases the break-in-service requirement from 30 to 60 days after retirement for all new Public Employee Retirement System (KPERS) retirees before they can return to work for any KPERS participating employer, and includes all members of the KPERS plan, including state, school and local employees. This amendment does not affect members of the Retirement System for Judges or the KP&F Retirement System.

The act clarifies that statutory provisions pertaining to retirees of KPERS who return to work after retirement as contractual employees will be subject after April 1, 2009, to the same state policies as other KPERS retirees who return to work as individuals. The bill requires the third-party companies to provide information about the salaries of its contract employees in order for KPERS and participating employers to apply statutory provisions regarding salary caps and special additional employer contributions.

The act eliminates for three years beginning July 1, 2009, the statutory $20,000 earnings limitation for licensed public school employees (teachers and administrators) of the KPERS school group who return to work for the same KPERS participating employer from which they retired and who chose a normal retirement option. In addition, the bill requires special payments from all public school employers who employ licensed KPERS school group retirees whether they retired from the same district or a different district. The special payments will be based on a contribution rate equal to the employer actuarial rate plus an additional 8.00 percent. For FY 2010, this rate is 20.07 percent. The provisions will sunset on July 1, 2012. After that date, a report from KPERS and its actuary about this three-year program is required to be submitted to the Joint Committee on Pensions, Investments and Benefits. Substitute teachers are not addressed by the changes in law related to the three-year salary cap exemption.

**Nebraska.** LB 449 of 2009 allows members of the School Retirement System who are drawing disability retirement benefits to return to service and continue to receive the benefit. It would apply to members who are under age 65 who have been certified as permanently disabled. Upon return to service, their employment would be capped at 15 hours per week. The reason for that specific cap is that additional retirement credit begins to accrue for employees who work more than 15 hours per week.

**Texas.** Chapter 1308, Laws of 2009 (HB 2559), established a 90-day waiting period for members of the Employee Retirement System who retired on or after May 31, 2009, who seek reemployment in a covered position. The agency that rehires a retiree must make a contribution to the retirement system equal to the amount it would contribute for a covered active employee.

**2008**

**Georgia.** Act 770, Laws of 2008 (SB 327), allows retired teachers who retired under normal service retirement and who have been retired for 12 months to return to covered employment and continue receiving retirement benefits. Principals and superintendents may not return to the school district from which they retired for work as principals or superintendents.

**Hawaii.** Act 156, Laws of 2008 (HB 2710) allows the state and county governments to hire retired state or county government employees if the employer abides by certain conditions: requires a one-year waiting period before rehiring, prohibits re-employment agreements prior to retirement, requires rehiring for civil service positions according to civil service and employment laws and the certification of such, requires employers to continue to make retirement contributions, and requires rehired employee to join collective bargaining unit if applicable.

**Indiana.** Chapter 130, Laws of 2008 (HB 1119) removes the salary exemption for retired members of the public employees’ retirement fund and the teachers’ retirement fund who are reemployed in a covered position [in effect, allows retired members to return to covered employment without losing retirement benefits]; allows retired members of certain police officers and firefighters retirement funds to be rehired by the same unit that employed the member as a police officer or firefighter.

Chapter 76 (SB 51) reduces the waiting period after which a retired member of the state teachers’ retirement fund or the public employees retirement fund may be reemployed in a covered position and continue to receive a retirement benefit.
Kentucky. HB 470 (signed into law) allows un-purchased out-of-state K-12 public school service to count toward the thirty years required to return to work at 75% of last annual compensation as opposed to 65%.

HB 1 of the 2008 Special Session requires state, county and state police system members to have a 3-month break in service before returning to covered employment (with exceptions for hazardous employees). No employee can earn a second benefit. Employers must resume employer contributions for retirement and health insurance for re-employed members. Teachers who return to service after retirement may waive their retirement benefit and have it recalculated on the basis of the additional service upon termination of the re-employment.

Maryland. Senate Bill 564/House Bill 720 (both passed) were sponsored by the Joint Committee on Pensions to address several issues related to the reemployment of State Retirement and Pension System retirees. First, they allow State judges receiving vested or normal service retirement benefits from either the Employees’ Retirement System (ERS) or the Employees’ Pension System (EPS) to suspend those benefits and earn credit in the Judges’ Retirement System (JRS). This allows a judge to earn credit in the JRS while ensuring that the judge’s spouse will receive survivor benefits from ERS/EPS should the judge die while serving on the bench. The bills also exempt a JRS retiree who is also receiving a service retirement benefit from ERS/EPS from an earnings limitation if the JRS retiree is temporarily assigned to serve on a State court. The bills require local school systems to reimburse the State Retirement and Pension System for the offset of pension benefits for retired teachers rehired by their former employers that result from late or nonreporting of reemployed retirees who are exempt from the offset. Finally, the bills require the Joint Committee on Pensions to study issues related to the reemployment of State retirees and submit a report to the General Assembly by December 31, 2008.

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2007

Arkansas. Act 612 (HB 1187) extends the length of a waiver from the earnings limitation for a retired teacher to teach in a critical need area to six years.

Maryland. Chapter 443, Laws of 2007 (HB 962), widens exemptions from the law that provides that a teacher who is rehired by a former employer suffers a dollar-for-dollar benefit reduction if the sum of the retiree's annual compensation and initial retirement allowance exceed the retiree's compensation at the time of retirement. Retirees who return to low-performing schools and who teach in an area of critical shortage are exempt from those provisions, under existing law. This legislation expands the definition of low-performing school to those in which at least 50% of students qualify for federally subsidized school lunches. The act also increases the number of teachers low-performing schools may rehire and broadens the definition of the work such teachers may undertake.

Idaho. Chapter 131, Laws of 2007, allows retired teachers or administrators to be rehired as "at will" employees without putting their PERSI benefits in jeopardy. The Act stipulates the conditions and requirements should a school district decide to hire or rehire a retired school teacher. Retired teachers or administrators who qualify are those who have 1) reached the Rule of 90, 2) are not participating in the early retirement program, AND 3) who are retired on or after the age of 62. Districts will pay the employer's share of retirement contributions for such returned teachers, but the employee will not accrue additional benefits.

Washington. Act 50, Laws of 2007 (HB 1262), addresses post-retirement employment. For TRS Plan 1 members and employers, this bill prohibits prior re-employment agreements and requires documentation of need and of the hiring process. The bill increases the waiting period to one and a half months before a TRS Plan 1 retiree can return to work and it implements a lifetime limit of 1,900 hours. Any hours worked over 867 in a year while a TRS Plan 1 retiree is receiving a pension will be applied to the lifetime limit. These provisions are consistent with those that are currently a part of PERS Plan 1.
Wyoming. Chapter 78, Laws of 2007, reduces the waiting time between retirement from covered employment and re-employment from six months to 30 days and provides that the employer of such a person shall pay the appropriate employee and employer retirement contributions to the Wyoming Retirement System. The rehired employee will not accrue any additional retirement benefit on account of such service.

2006

Connecticut. Public Act 06-192 provides that a former teacher receiving retirement benefits from the system may be reemployed by a local board of education or by any constituent unit of the state system of higher education in a position designated by the Commissioner of Education as a subject shortage area for the school year in which the former teacher is being employed. Such employment may be for up to one full school year but may, with prior approval by the board, be extended for an additional school year.

Idaho. Chapter 185, Laws of 2006, (SB 1345) allows a retired member of the Public Employee Retirement System to continue receiving retirement benefits from the system after election to office, provided the person does not return to an office from which he or she retired, has been retired at least six months, and retired with an unreduced retirement benefit. Previous law limited continuation of benefits to retirees elected to offices that required less than 20 hours per week employment.

Illinois. Public Act 94-0914 (House Bill 5331), extends existing return-to-work provisions until June 30, 2011 and allows retired teachers to return to work for 120 days or 600 hours without entering into active service.

Kansas. Senate Bill 270 (signed 4/18/2006) addresses several issues:

The bill raises the working after retirement salary limitation from $15,000 to $20,000 for retired Kansas Public Employee Retirement System (KPERS) members who return to work after retirement for the same participating employer from which they retired. There is no salary limitation if a retiree returns to work for a different KPERS participating employer. For local elected officials and legislators who retire from a KPERS participating employer while serving in elected office and participating in KPERS as an elected official with a different participating employer, the bill raises the salary limitation from $15,000 to $20,000 per year while serving in public office and drawing a KPERS retirement benefit.

The bill requires any KPERS participating employer who hires a KPERS retired member to pay the KPERS actuarially-determined employer and employee contributions on behalf of the retired member. There is no payment required if a KPERS retiree returns to work for the same KPERS participating employer that employed the individual before retirement. The fiscal note indicates that this provision would increase contributions to KPERS, with the following FY 2007 (CY 2007 for the local group) rates attributed the members of the three principal KPERS groups of participating employers: Participating employers from all groups will pay the statutory employee rate of 4.0 percent. For FY 2007, those employers in the state group will pay an employer rate of 5.84 percent, the school group 9.75 percent, and the local group 7.69 percent.

Another provision in the bill changes the statutory definition of a professional employee to exclude, beginning in the 2006-2007 school year, any person who retires from school employment as a KPERS member, regardless of whether an agreement on terms and conditions of professional service between a board of education and an exclusive representative of professional employees provides to the contrary. Another provision in the bill changes the statutory definition of teacher to exclude, beginning in the 2006-2007 school year, any person who retires from school employment as a KPERS member. No fiscal note is available for this provision.

New York. Chapter 74, Laws of 2006, allows a retired member of the New York State and Local Employees’ Retirement System and the Police and Fire Retirement System to earn $30,000 a year in public employment without diminution of retirement benefits, in 2007 and thereafter. The cap was increased from $27,500 for 2005 and 2006.
Virginia. Chapter 513, Laws of 2006 (SB 99) allows persons who retired as other than a teacher to teach in a critical shortage position while continuing to receive a retirement allowance, provided the person becomes licensed by the Board of Education to serve as a local school board instructional or administrative employee. Under current law, only those retired persons who served as teachers are eligible to teach in critical shortage positions while continuing to receive a retirement allowance.

2005

Arkansas. Act 911 clarifies that waivers of earning limits for Teachers Retirement System retirees who return to work are limited to those hired by a public school district due to a shortage of certified teachers in a critical subject area; requires that employer and employee contributions recommence at the time of such employment; and limits waivers to three years.

Colorado. SB 05-73 closed a loophole that had allowed some retired employees to circumvent the state's 110-day limit on reemployment without loss of benefits after retirement.

Georgia. HB 495 allows a member who retired on a service retirement to return to work and continue receiving retirement benefits. The retiree must have been retired prior to 12/31/2003. Local school systems would be allowed to employ a retiree as a full-time classroom teacher, principal, superintendent, counselor, librarian or improvement specialist. A member who retired as a principal cannot be re-employed as a principal at the same school where he or she was employed prior to retirement. Also, a member who retired as a superintendent cannot be re-employed as a superintendent for the school system in which he or she was employed prior to retirement. An employer employing a retiree must pay all employer contributions to TRS as if the retiree was an active member of TRS. These working-after-retirement provisions shall not be contractual and shall be subject to future legislation. Current law allows local school systems to employ a retiree as a full-time classroom teacher, principal, superintendent, counselor or librarian. All other provisions are the same.

Indiana. SB 149 increases from $25,000 to $35,000 the annual amount a retired member of the Public Employees Retirement Fund or the Teachers Retirement Fund who has not attained the Social Security normal retirement age may earn in a covered position before the member's retirement benefit stops and the member must again make contributions to the member's retirement fund.

Minnesota. Laws 2005, Chapter 156, Article 3, Section 3 (The Omnibus State Government Finance Bill) allows employees who meet the definition of full retirement (Rule of 90 or age 65, or up to age 66 for employees hired after July 1, 1989), to receive their monthly retirement annuity and work half time or less.

To use this provision, employees must terminate service. Employees who use this provision would no longer contribute to a MSRS retirement plan. In addition, they would not be subject to the reemployed annuitant earnings limit of $12,000 for 2005 (the same amount used by Social Security).

Employees using this provision would not be included in the active employee health insurance pool, but would have money deposited into a Health Reimbursement Account (HRA) based on a calculation depending on the percentage of time worked and the amount of full employer contribution for "employee only" health and dental coverage. The funds in the HRA could be used for health insurance premiums or other medical expenses.

Employees would participate in the retiree health insurance pool. Employees would receive any applicable severance pay at the time they retire from their regular position. Post retirement employment would be offered to the employee on an annual basis, and the offer could be renewed for up to five years.
North Carolina. Language in the budget bill extends an expiring provision that allows retired members of the state retirement system to return to the classroom with no diminution of retirement benefits. The language requires a six-month break from covered service from covered employment.

Nevada. SB 369 allows judges who have retired and are receiving benefits from the Judicial Retirement System to re-enroll in the retirement system, under certain circumstances, and to continue receiving benefits from the retirement system, under certain circumstances.

North Dakota. HB 1266 allows retired members of the ND Public Employees Retirement System who retired at or after the full retirement age to return to covered employment with a different employer and waive future participation in the retirement system and retiree health system, while retaining their benefits. The “different employer” provision means that a state employee cannot take advantage of this provision if returning to state employment, but may take employment in a political subdivision. Former employees of a political subdivision may move to state employment or employment in a political subdivision different from the one from which the employee retired.

South Carolina. Act 153 (SB 618) provides that retired members who return to covered employment will make active member contributions for the duration of their covered employment.

South Dakota. HB 1016 provides that the annual improvement factor will not be used to increase benefits for the time during which a retired member has reentered covered service.

Tennessee. Chapter 203, Acts of 2005 reduces the number of situations in a retired member of the Consolidated Retirement System may continue to receive benefits after returning to covered employment. It extends the number of days a retired member may temporarily work in covered employment without loss of benefits from 100 to 120 days, and increased the credit hours such a member may teach in higher education without loss of benefits from 15 credit hours to 18.

Texas. §29, SB 1691, requires a district that employs a Teachers Retirement System (TRS) retiree to remit a contribution to TRS equal to the amount that would have been contributed by the retiree and by the state if the retiree were an active member. If the retiree is enrolled in the Texas Public School Employees Group Insurance Program (TRS-Care), the employer must pay the difference between any amount the retiree is required to pay for the retiree and dependents and the full cost of the retiree's and dependents' participation. These provisions apply to retirees rehired after January 1, 2005, by that reporting employer or by another employer, if both employers are school districts that consolidated into a consolidated school district on or before September 1, 2005.

Wyoming. Chapter 113 of the Session Laws of Wyoming 2005 (SF 0147) requires a state retiree who is rehired in any capacity by a participating employer to notify the retirement board and elect participation as specified. Under previous law, a state retiree who was rehired on a permanent, full-time capacity by an employer who participates in the state retirement system was required to notify the retirement board of his election either to be reinstated as a contributing member of the system and cease retirement benefits, or to continue to receive his retirement benefit and not be reinstated as a contributing member.

This bill requires a retired member who is rehired in any capacity by an employer who participates in the state retirement system to notify the retirement board of his election to be reinstated as a contributing member to the retirement system or to continue receiving his retirement benefits.

The intent of the new language is to reach contractual employees, according to the Wyoming Retirement System.

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**California.** SB 1852 modifies restrictions upon return to covered employment for retired teachers who received a retirement incentive from their employer.

**Florida.** Chapter 2004-355 provides that after a retired TRS member has been retired for 1 calendar month, a district school board may reemploy the retiree as a substitute or hourly teacher on a noncontractual basis, or as a classroom teacher on an annual contractual basis, without further restriction. All retirees reemployed under this paragraph will become renewed members of the FRS, and district school boards must make appropriate contributions on such renewed members' behalf. Refunds will be provided for any TRS retiree who was reemployed by a district school board on or after July 1, 2003, if the retiree had to suspend or repay benefits under s. 121.091(9)(b)2., F.S., and for any employer held liable for such repayment. The legislation also similarly eases reemployment restrictions for instructional personnel employed by developmental research schools and the Florida School for the Deaf and the Blind, as well as for charter schools participating in the FRS.

**Georgia.** Act 758, H.B. 366, allows a member of the Teachers Retirement System who has retired to return to work and continue to receive retirement benefits. The retiree must have retired before 12/31/03. Local school districts may re-employ a retiree as a fulltime teacher, principal, superintendent, counselor or librarian, except that a retired principal may not return to the school at which he or she was employed at retirement, nor may a superintendent return to his or her previous district. System must make employer contributions to TRS as if the retiree were an active member.

**Kentucky.** Chapter 121, Laws of 2004 (HB 434) provides that the Kentucky Teachers’ Retirement system may reduce a member’s retirement allowance on a dollar-for-dollar basis for each dollar that a retired member earns in employment exceeding 100 days or 12 teaching hours, and provide that the board shall adopt a methodology for a pro rata apportionment of days and hours for retired members who return to work in both teaching and non-teaching positions.

**Massachusetts.** Chapter 149, Acts of 2004, section 88, allows a person retired under G.L. c. 32, §§ 5 or 10, to return to membership in the Retirement System when employed in the public sector after retirement. The retiree would become a member upon payment to the appropriate retirement system of an amount equal to the retirement allowance that the person had received while retired plus “actuarial assumed interest”. The person will contribute to the retirement system at the rate in effect on the date that the person waived his or her allowance or the date that the member was reinstated to membership, whichever date is earlier. If the person remains a reinstated member (as a full-time employee) for more than 5 years, he or she will be eligible to retire again, with additional creditable service and a likely new three year average rate of regular compensation. If the person is reinstated to membership for less than 5 years, upon retirement, he or she will receive a refund of all amounts that were paid into the system.

**New Mexico.** SB 426 reduces contribution requirements for Public Employee Retirement Association (PERA) members who return to covered employment. Previous law required contributions at the same level as others working for the same employer. Starting January 1, 2007, employee contributions will not be required on the first $25,000 earned in a calendar year. Employer contributions are required on all earnings. Someone who earns $25,000 in one calendar year must begin making contributions on the first dollar of earnings in the next year regardless of what total earnings may be in the subsequent year.

Effective on passage, PERA retirees who return to work as session-only legislative employees are exempt from contributions as is their employer. They must apply for the exemption, and earn no service credit from the employment.

**New York.** Chapter 4, Laws of 2004, effective February 2, 2004, increased the amount of money a retired state or local employee or teacher may earn in public employment from $25,000 to $27,500. The law applies to salary earned in 2004 and after.
Pennsylvania. Act 2004–63 expands the period of time and conditions under which PSERS retirees may return to Pennsylvania public school employment without loss of their monthly retirement benefit. This law specifically defines the ability of a PSERS retiree to be employed by a Pennsylvania public school in emergency, shortage of personnel and extracurricular situations.

Whenever a school employer determines there has been an increase in workload that creates a serious impairment of service to the public, or there is a shortage of appropriate subject certified teachers or other personnel, a retiree may return to Pennsylvania public school service for a period not to extend beyond the school year during which the emergency or shortage occurs.

A retiree may be employed under separate contract by a Pennsylvania public school in an extracurricular position performed primarily outside regular instructional hours and not part of the mandated educational curriculum. The new legislation specifically includes the position of athletic director as being eligible for the extracurricular designation and extends this provision to employment with community colleges and public universities.

A retiree returning under either of the exceptions noted may not earn any service credit; no retirement contributions may not be deducted and no credit for the service may be purchased at any time.

Previous law required an emergency or shortage of subject certified teachers; New law requires emergency or shortage of any school personnel. Previous law limited employment to 95 days per school year; new law allows employment throughout the school year in which the emergency or shortage occurs.

Rhode Island. Chapter 379, Laws of 2004, increased the amount that a retired person who returns to service as a university or public school teacher or state employee may earn in a year from $12,000 to $15,000 without loss of retirement benefits: limited to specified kinds of re-employment.

South Dakota. HB 1037 provides new provisions for benefits for retired members who are rehired in covered employment to prevent the accrual of additional benefits who cost must be shifted to the system and other employees. Those retired and rehired before July 1, 2004, will continue to accrue benefits under the former law. Under the new provisions, regular retirees may receive benefits but no COLAs during re-employment. Early retirees will receive no benefits during re-employment. In both cases, rehired members will be considered as new members, and in both cases, benefits will be recalculated at final retirement.

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2003

Alaska. HB 254 creates an incentive for retired public employees to enter teaching by reducing the requirement for a TRS "conditional service benefit" from two years to one year. A retired PERS member will now be able to teach one year in a TRS covered position and earn a TRS pension benefit.

Colorado. SB 98 allows retirees to fill the position of a member called into active military duty without the 110 calendar day limit on work after retirement.

Connecticut. PA 03-232 increased the amount a retired teacher can earn by returning to part-time covered employment before losing retirement benefits. Prior law allowed earnings of 45 percent of entry-level salary for the same subject area; the act increases the allowance to 45 percent of the position maximum. A teacher who earns more than the maximum allowance must return the excess to the Teachers Retirement Board (TRB).

Previous law also suspended Teachers Retirement System (TRS) benefits if a retired teacher returned to full time covered employment once the teacher exceeded the 45 percent limit. The act allows a local board of education to reemploy a retired teacher for a full school year, and allows the teacher to earn more than the 45% limit while continuing to receive a TRS
benefit, in a position the education commissioner designates as a subject shortage area for that year. The act eliminates the requirement that the local board of education certify to TRB that a retiree's reemployment is in the school system's or constituent unit's best interest.

The act allows the shortage area reemployment to be extended for a second year, with prior approval from the TRB. Returning teachers are barred from receiving benefits from the state health plan for retired teachers. Their employees must provide them the health benefits provided to other active teachers. The act also prospectively eliminates options that allowed returning teachers to choose to resume contributions to TRS in order to earn additional retirement benefits. The law grandfathered teachers who previously had chosen the option.

**Florida.** Chapter 2003-60, laws of 2003, expands exceptions to post-retirement reemployment limitations under the Florida Retirement System (FRS) Pension Plan to permit retirees of the FRS Pension Plan to become employed with a district school board after having been retired for 1 calendar month, without further restriction. To qualify, a retiree must be employed as a K-12 classroom teacher hired on an annual contractual basis, or as a substitute or hourly teacher, education paraprofessional, transportation assistant, bus driver, or food service worker hired on a noncontractual basis.

**Illinois.** Public Act 93-0320 allows a Teachers' Retirement System retiree to return to work without post-retirement employment limitations. The regional superintendent must designate the employment to be in a subject shortage area in order for a retiree to be able to return to work without limitation. The retiree who returns to work in a subject shortage area is not required to comply with the 120-days/600-hours post-retirement limitations specified in the Illinois Pension Code. The retiree will receive a pension although they are employed by a school district beyond the post-retirement employment limitations.

**Maryland.** SB 92/HB 234 exempt retired members of the Local Fire and Police System from a reemployment earnings limitation unless they are reemployed by the same participating employer that employed them when they retired.

**Missouri.** HB 346 allows for employment after retirement up to 2 years without losing benefits for members of the Public School Retirement System and the Non-Teacher Employee Retirement System. The number of teachers/support employees rehired shall not exceed 10% of the total teachers/support employees of the district or a maximum of 5 teachers/support employees. A shortage must be declared with the hiring district. The school district must pay the employer contribution, eliminating the fiscal impact.

HCS for HB 347 and 348 allows retired members of the Local Government Employees Retirement system to return to work in a political subdivision from which the member has not retired.

**Montana.** HB 178 allows retired teachers and other educational specialists to return to K-12 and certain educational institutions for one year without loss of retirement benefits from the Montana Teachers Retirement System. Restrictions include a school's demonstration that there was no other applicant for a vacancy or that no one else would accept an offer of employment. Employers must make employer contributions on the salary of the rehired person. The conditions must be met again for any subsequent year of employment.

**New Mexico.** Chapter 248, Laws of 2003 (Senate Bill 609) adds a new section to the Educational Retirement Act to exempt retired Public Employees Retirement Association (PERA) employees from making employee contributions to the Educational Retirement Association (ERA) fund, should they accept employment with a local administrative unit. Such employees are not eligible to purchase or acquire service credit for the time worked with local administrative units. Local administrative units, however, must make required employer contributions for these employees.

Currently, persons employed more than .25 FTE by an ERA local administrative unit make contributions to the ERA fund. This includes PERA retirees who have not suspended PERA retirement. When such persons leave employment with a local administrative unit, ERA refunds their contributions, plus interest.
Chapter 60 (HB 22) and Chapter 439 (HB 283) allow members of ERA who retired before January 1, 2001, to return to covered employment without losing retirement benefits.

Chapter 86 eliminates the cap on the amount a retired public employee may earn from a public employer affiliated with the Public Employees Retirement Association, which had been $15,000, before losing retirement benefits. Retired members who return to service during retirement will make nonrefundable contributions to the retirement fund, as will their employers, but shall not acquire service credit or be entitled to purchase service credit for such service while retired.

New York. Chapter 136, Laws of 2003, enables Tier 2 retirees who suspend their pension and restore their active status to receive an additional benefit after two extra years of service credit. By extension, this new law also covers members who retire under Tier 4. [Previously, Tier 2 and 4 retirees had to complete five extra years of service credit to be eligible for an additional benefit.]

Chapter 106, Laws of 2003, authorizes local governments to employ public retirement system retirees to fill in for activated employees, without diminution of retirement benefits.

North Dakota. SB 2056 adjusted the number of hours that retired teachers may return to service without losing retirement benefits to reflect the length of their annual contract: from 700 hours for all, changed to as many as 1,000 hours for those with a 12-month contract.

Texas. HB 3237, regarding return to employment by retired members of the Teachers' Retirement System, restricts the total time worked to one-half time for a given month, the same maximum allowed in current law, and clarifies that a combination of both substitute work and part-time work can qualify, so long as it does not exceed one-half time in that month. For disability retirees, one-half time employment may not exceed 90 days in the school year.

Virginia. SB 812 provides that state police officers in service at age 60 or older with five or more years of service may elect to retire and to continue to receive their retirement allowance while employed as an employee of the Department of State Police. The bill also provides that state police officers, between the ages of 55 and 59, with five or more years of creditable service who (i) have been rehired as an employee of the Department of State Police and (ii) have been receiving a service retirement allowance for at least 30 days prior to such reemployment may elect to continue to receive such service retirement allowance while an employee of the department. The bill limits the number of years that a person may receive a retirement allowance while an employee of the Department of State Police to two. The provisions of the bill sunset on July 1, 2005.

Washington. Chapter 412, Laws of 2003, provides that a member of the public employee retirement system will not be separated from service upon termination of employment if the employee and employer verbally agree that the employee will resume employment with the same employer after termination. An employee must be suspended from employment three months before reemployment to avoid suspension of the pension, if the employee works more than 867 hours. The employer must document the need to rehire an employee and superior approval is required. The rehired employee cannot work more than 1,500 hours in a calendar year without suspension of retirement benefits.

The bill's similar provisions affecting teachers were vetoed.

West Virginia. HB 2799 allowed certain retired state troopers to be temporarily employed by the state police without loss of retirement annuity. They will not contribute toward retirement nor earn additional service credit.
2002

Alaska. H.B. 254 (2002 Alaska Session Laws Chap. 59) creates an incentive for retired public employees to enter teaching by reducing the requirement for a TRS "conditional service benefit" from two years to one year. A retired PERS member will now be able to teach one year in a TRS covered position and earn a TRS pension benefit.

Arizona. S.B. 1095 (2002 Ariz. Sess. Laws, Chap. 213) extended provisions for returning to covered employment after retirement, previously scheduled to sunset on June 30, 2003. The law allows a retired member of the Arizona State Retirement System to return to work for one year at a negotiated salary with no loss of retirement benefits; the returning employee makes no contribution to ASRS and accrues no additional benefit.

Colorado. SB 145 allows small school districts (those with fewer than 4,500 students) to declare a critical shortage of teachers, which permits retired members of the Public Employees' Retirement Association (PERA) to return to teaching full time without reduction of retirement benefits. The resolution can be renewed annually. The legislation goes out of effect on July 1, 2005.

Delaware. S.B. 439 (73 Del. Laws, C430) allows pension beneficiaries of the State Employees' Pension Plan to be employed by the state in a temporary, casual, seasonal or substitute position without an earnings limitation or loss of pension benefits.

Georgia. H.B. 210 allows a retired member of the Teachers' Retirement System of Georgia who retired prior to January 1, 2002 with at least 30 years of creditable service or after attaining age 60 to return to full-time service as a "classroom teacher" or "improvement specialist" without losing his or her retirement benefits. The retiree can return to service no longer than five years; the retiree will not retain tenure as he or she had prior to their retirement; and, the retiree shall not be considered an active member TRSGA. A public school system employing a retiree under this provision must pay all employer contributions to TRSGA as if the retiree was an active member of TRSGA. The provisions of this bill would sunset on July 1, 2008.

Georgia. S.B. 100 provides that the retirement benefits of a member of the Peace Officers' Annuity and Benefit Fund who has attained the age of 55 and has at least 30 years of creditable service will not be affected if he or she continues or returns to service as a peace officer.

Georgia. H.B. 931 allows persons who retired on a normal service retirement with at least ten years of service as an officer of the Uniform Division of the Department of Public Safety to return to service and continue to receive retirement benefits if he or she accepts full-time or part-time employment with the Department of Public Safety or the Department of Motor Vehicle Safety as a radio operator or a driver's license examiner. A retiree who goes back to work will not be eligible for employee benefits. Employer or employee contributions will not be paid to the Employees' Retirement System (ERS). This provision will cease to apply on or after July 1, 2007.

Iowa. H.F. 2532 amends existing law to increase the amount, from $14,000 to $30,000, that an Iowa Public Employees Retirement System (IPERS) member who has a bona fide retirement and is under 65 years of age can earn in public employment covered by IPERS and still continue to receive the member's retirement allowance without a reduction. Current law provides that the retirement benefits of a retired IPERS member who is under age 65 will be reduced by 50 cents for each dollar the member earns in a calendar year in covered employment over the earnings limit.

Louisiana. H.B. 130 (Act 165) of the First Extraordinary Session of 2002 revised statutory provision regarding re-employment after retirement to close a loophole that would have allowed any state employee eligible for retirement to retire, be re-hired by the same employer, and after 12 months receive both full salary and full retirement benefits.

Maine. Public Law 2001, Chap. 699, revises existing law to permit local government members of the Maine State Retirement System to return to covered service and keep both their pension and their full earnings. Retirees who do so will not earn additional retirement credit.
Oklahoma. H.B. 2344 amended limits on earnings for retired members of the Teachers Retirement System who return to public school employment:

(1) Limits post-retirement earnings for retirees under age 62 years to $15,000 or half final average salary, whichever is less, during the first 36 months after retirement; (2) Limits post-retirement earnings for retirees age 62 or older to $30,000 or half final average salary for the first 36 months after retirement; (3) Allows classified members who have been retired for 36 months or more to earn up to $30,000; (4) Extends post-retirement earnings limits to members who are hired to work for schools through corporations.

Virginia. H.B. 1137 and H.B. 1320 change the conditions under which retired teachers are permitted to return to teaching without interrupting their retirement benefits by

- permitting return even if the retiree is receiving retirement benefits from an early retirement incentive program (prohibited under former law);
- specifying that such retirees must have been receiving retirement benefits for a period of at least 30 days before returning to a teaching position (subject to decision of the Joint Legislative and Audit Review Commission and the Board of Trustees of the Virginia Retirement System under former law); and
- requiring that the teacher be hired pursuant to a contract that does not exceed one year in duration.

West Virginia. H.B. 4579 enables Teachers’ Retirement System (TRS) members who retire between the effective date of this bill and December 31, 2002, to be employed by any institution of higher education without loss of retirement annuity, provided, that the TRS member may not participate in any other state retirement system. H.B. 4658 increased the amount of income a retiree may receive from temporary state employment from $10,000 to $15,000.

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Alaska. Retired members of the state employee retirement system and retired teachers may return to covered employment and continue to receive retirement benefits by agreeing to forego the accrual of any additional retirement benefits during the period of employment. HB 242, SB 149.

Arizona. Retired members of the State Retirement System are permitted to return to work and be eligible for continuation of retirement benefits if they have been terminated from employment for 12 months. Such employees will not contribute to ASRS or accrue additional benefits during re-employment. Effective through June 20, 2003. 2001 Ariz. Session Laws Chap. 68.

California. New legislation allows retired members of the State Teachers’ Retirement System who return to active service for the equivalent of two years to have their retirement allowances recalculated to include the benefit increases enacted in 1998 and 2000. These enhanced benefits apply only to those who retire on or after the effective date of this bill (9/25/01). SB 334.

Colorado. Retired members of the Public Employee Retirement Association (PERA) may contribute to the PERA 401(k) plan from any wages paid them by PERA employees. HB 1057.

Illinois. Retired teachers may return to teaching without impairing their retirement status if they return to work for no more that 120 paid days (up from 100 in previous law) for employment between July 1, 2001 and June 30, 2006. H.B. 2157

Indiana. Re-imposed the annual limit on earnings of retired members of the Public Employees’ Retirement Fund (PERF) and the Teachers’ Retirement Fund (TRF) who have not attained the Social Security normal age for unreduced benefits.
Such retired employees’ benefits will be suspended when they earn more than $25,000 in a year in a position covered by PERF or TRF. The law exempts people who have attained the normal age for unreduced benefits. Members are entitled to an additional retirement benefit for the period of reemployment. _SB 107._

**Louisiana.** New legislation repealed a variety of laws that addressed the re-employment of teachers after retirement that imposed different conditions upon former teachers depending on their status according to certain criteria when they retired. Previous law, for example, imposed fairly strenuous conditions upon returning retirees who had been members of the state Deferred Retirement Option Plan before leaving employment.

The new legislation permits re-employment without loss of retirement benefits after the former teacher has been retired for at least 12 months. If the former teacher returns to retirement before the 12-month period elapses, benefits are suspended until the end of the retirement or the lapse of the 12-month waiting period, whichever occurs first.

Returning retired teachers must make contributions to the retirement system, as must their employers, but the retiree does not receive any additional service credit or accrue any additional benefits. Upon termination of employment, the retiree receives the employee contributions back, without interest. The retirement system keeps the employer contributions. Effective July 1, 2001. _HB 1339, 1340._

**Maine.** The Legislature repealed the requirement of a reduction in benefits for Maine State Retirement System (MSRS) retirees who return to service in employment covered by the MSRS. This applies to teachers and state employees. Such persons do not earn additional retirement credits and do not contribute to the MSRS. Eligibility for participation in group health or dental programs is determined by law applicable to retirees, generally. _Public Law 2001, chapter 442_

**Maryland.** New legislation stipulated that retirees of the Employees’ Retirement System (ERS), Employees’ Pension System (EPS), Teachers’ Pension System (TPS), Teachers’ Retirement System (TRS), and Correctional Officers’ Retirement System (CORS) are subject to the re-employment earnings limitation only if the designated retirees are re-employed by the same employer from which they retired. A retiree receiving a normal service retirement may now seek reemployment with any of the other 99 employers participating in the State Retirement and Pension System (other than the employer from which they retired) without any earnings limitations. For purposes of reemployment, the State is treated as a single employer. Employees who take early retirement must remain retired for at least 12 months before accepting reemployment with a participating employer, regardless of who the retiree’s employer is.

The bill also exempts retirees of the EPS and the TPS from any reemployment earnings limitations if they have been retired for more than ten years. (This applies the same rule in the EPS and the TPS as currently exists in the ERS and the TRS.) The bill addresses the statewide nursing shortage by exempting from the earnings limitation retired health care practitioners (including nurses) who are re-employed by the Department of Health and Mental Hygiene, even if the re-employed practitioners have retired from the State, a provision that expires in 2006. _S.B. 221._

Other bills enhanced re-employment provisions for certain other retirees: school principals, correctional officers, and judges who are re-employed as faculty at a community college. _H.B. 442, S.B. 162, H.B. 132, respectively._

**Mississippi.** The Legislature revised the statutory provisions that limit the amount of time a benefit recipient can return to covered employment. The old language allowed a person who is receiving a retirement benefit to return to covered employment for up to 120 days a year, but not more than half of full-time employment in a position. Because of the way teachers’ full-time positions are counted in Mississippi, the law limited returning teachers to working about calendar 93 days in a year. The Legislature made definitional and technical changes in the law that are expected to work to allow teachers to work half-days throughout a school year. The changes affect all state employees and teachers, but will have their primary effect on teachers. _HB 1182._
Montana. Effective March 16, 2001, Public Employee Retirement System members can return to covered employment for up to 960 hours in a calendar year without reduction of benefits. However, those aged 65 to 70½ are subject only to the higher of the 960 hour limit or an earning limit equal to highest average compensation adjusted for inflation. Over 70½ the limits do not apply. SB 37.

The maximum a retired member of the Teachers’ Retirement System may earn in a part-time teaching position will be increased to match the CPI annually. HB 97.

Nevada. New law allows eligible retirees to return to employment without loss of retirement benefits in positions deemed to be experiencing a critical labor shortage. The governing body of the employer will make the determination of a labor shortage: The Board of Examiners for the State of Nevada, the Board of Regents for the university and community colleges, the Supreme Court for judicial positions, the Department of Education for school districts and the governing board of a local government for its jurisdiction. People who took early retirement cannot return to employment without loss of benefits until they reach the age of full eligibility for their retirement plan. The law sunsets June 30, 2005. The Public Employees Retirement System is to conduct an experience study to determine the costs of the program before the sunset date. Assembly Bill 555.

New Mexico. Teachers who have been retired and receiving benefits with no employment relationship with a public school for twelve months, may return to covered employment and continue to receive retirement benefits, effective January 1, 2002. The provision expires January 1, 2012. Such teachers may return to full-time employment. They will not contribute to the retirement system nor receive additional credit toward benefits after returning to employment, nor may they at any future time purchase credit for the time they will be re-employed. [The law does not include a “critical shortage” provision.] SB 716.


North Dakota. Teachers who have been retired and receiving benefits for at least one year, or who retired before January 1, 2001, may return to teaching in critical shortage geographic areas or subject disciplines without loss of benefits. Such a returning teacher does not earn service credit for employment or any additional benefits, and makes no retirement contribution in the period of employment. SB 2180.

Other legislation modified the conditions under which a retired teacher may return to covered employment:

- Shortened the waiting period that must elapse from the retirement date before a retiree may return to Teachers’ Fund covered employment from 60 days to 30 days.
- Modified the amount of time a retiree may return to covered employment from a maximum of 90 days at 4 or more hours a day to a total of 700 hours in a fiscal school year.
- Improves the recalculation of retirement benefits for a retiree who returns to covered employment, exceeds the 700 hours limitation, and re-retires. HB 1102.

Pennsylvania. Current law allows a member of the School Employees Retirement System to return to covered employment for a period of 95 days in any fiscal year without suspension of pension benefits. For state employees, this has been changed to a calendar year measure. Days worked before July 1, 2001 will not count toward the limit. For school employees, the limit has been suspended for service prior to December 31, 2001. Act 2001-9 (HB 26).

Rhode Island. New legislation allows a retired teacher to substitute as a teacher at state schools and in the public schools of Rhode Island for a period of no more than 90 days in any one school year without any forfeiture of or reduction in the retirement benefits and allowances the teacher is receiving as a retired teacher. Chapter 199, Laws of 2001.
South Carolina. The Legislature increased the earnings limitation for retired members of the SC Retirement System who return to work from $25,000 to $50,000 per fiscal year, with a mandatory 60-day break before the members return to covered employment. SB 163, Act 25. Other legislation, awaiting the governor's signature as of July 10, 2001, would continue an exemption from the earnings limit for teachers who return to work in a critical needs area of the state. HB 3175.

Texas. The Legislature repealed language limiting reemployment with an Employee Retirement System employer to nine months without loss of retirement benefits. State agencies are required to conduct a strategic staffing analysis and develop a workforce plan to address critical staffing and training needs of the agency, including the need for experienced employees to impart knowledge to their potential successors. SB 587.

Other legislation permits teachers who retired before January 1, 2001, to return to covered employment without restriction or reduction of benefits. Some restrictions, including a waiting period, apply to those who retire on or after January 1, 2001, with special provisions for bus drivers (who are not required to take a 12-month service break unless they have taken early retirement). Principals and assistant principals may return to work, with a 12-month service break, unless they are early retirees. HB 3147, SB 273.

Virginia. Legislation permitted retired teachers or administrators to be rehired without interrupting their retirement benefits, provided there is a break in service, the retiree did not leave under a local early retirement program, and there is a declared teacher shortage. HB 252 (HB1589).

Washington. Legislation allows Teachers' Retirement System (TRS) Plan 1 retirees to work for 1,500 hours per fiscal year after they retire without reduction in their pension and Public Employees' Retirement System (PERS) Plan 1 retirees to work for 1,500 hours per calendar year after they retire without reduction in their pension. The bill also allows retirees from TRS Plans 2/3, School Employees' Retirement System Plan 2/3, and PERS Plan 2 to work for 867 hours per year after they retire without reduction in their pension. Employers will have to pay contributions if a Plan 1 retiree works more than 867 hours in a year. Governor Locke vetoed sections 5 and 6 of the bill, which provided sunset provisions in 2004, on the ground that the program should be continued longer. The legislation contains a requirement for a study and review of the program. ESSB 5937.

West Virginia. Persons who elected to retire under the "early incentive" program may work for the West Virginia Legislature as contract employees without penalty to their subsidy. H.B. 2607 - [W.Va. §5-10-22c]

Other legislation allows a window for teachers entitled to retirement benefits in a fiscal year to retire and then be employed in the next fiscal year as a substitute teacher for unlimited days without penalty under certain conditions. Window closes June 30, 2003. S.B. 227 - [W.Va.§18A-2-3]}

Wyoming. Previous law required that retirees either discontinue retirement benefits and be reinstated as an active member upon re-employment with any employer who participates in the Wyoming Retirement System, or continue receiving a benefit and not be reinstated as an active member. Legislation in 2001 permits continued payment of a benefit to a reinstated member for limited part-time or short-term employment. HB 202.

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2000

Arizona. S.B. 1463 provided that teachers may return to teaching after retirement without any loss of benefits. Under former law, if a retired member returned to work for 20 weeks at 20 hours per week for a fiscal year, the person resumed active membership and payment of benefits was suspended. When the member retired again, benefits were recomputed. S.B. 1463 permitted a retired member to return to work and remain eligible to receive retirement benefits on certain conditions:

- The retired member reached the normal retirement age.
- The retired member terminated their employment at least 12 months prior to returning to work.
• The retired member is working as a certified teacher.
• The retired member is not subject to 15-538 through 15-543.
• The retired member acknowledges these regulations.

The employers of retired members are exempted from paying contributions on behalf of the retired member. The retired member returning to work does not accrue credited service, retirement benefits or long term disability benefits for the period the person returned to work.

SB 1094 prohibited a retiree of the Arizona Public Safety Personnel Retirement System (PSPRS), who returns to work in the same position and for the same employer from which the member retired, from collecting the PSPRS pension until such employment ceases, and specified that the PSPRS retiree's pension upon leaving reemployment will be based on the retiree's service and compensation before the date of reemployment.

**Massachusetts.** Chapter 14 of the Acts of 2000 amended existing law to allow retired teachers to return to employment without loss of retirement benefits; such a returning teacher does will not be considered an active member of the teachers' retirement system and will not earn creditable service toward retirement.

**North Carolina.** Section 8.24 of Session Law 2000-67 (H.B. 1840) amended existing law to facilitate the return of retired teachers to service by exempting earnings from teaching on a substitute, interim or permanent basis from the earnings limitation that otherwise applies to retirement system beneficiaries who return to covered employment.

**Ohio.** S.B. 144 made the amount of time a member of the public employees', teachers', school employees', police and firefighters', and highway patrol's retirement systems must wait to be re-employed after retirement without penalty under the same system two months for all systems.

**Rhode Island.** Chapter 334, Laws of 2000, allows retired teachers to substitute for an absent teacher for 90 days in any one school year (increased from 75 days) without a reduction or forfeiture of retirement benefits.

Chapter 349, Laws of 2000, allows re-employment at a state college, state school or university with a cap on annual earnings of $12,000 (up from $10,000) without reduction or forfeiture of retirement benefits.

**South Carolina.** The earnings limitation for service retirees increased to $25,000. Service retirees may return to work for an employer covered by SCRS and PORS, and earn up to $25,000 per fiscal year (July 1 - Jun 30). If they exceed this limit, their benefits will be discontinued during any period of service in the remainder of the fiscal year. H3696 (R200) General Appropriations Act Part II Provisos, Section 27 Amends Code §§9-1-1790 and 9-11-90(4)

Retirees who are certified teachers may return to covered employment without affecting their retirement benefits provided that the district has been identified as having critical need by the State Board of Education and the district has documented the lack of qualified, non-retired teachers. --H3696 (R200) General Appropriations Act, Part 1B Provisos, Section 1.30 and Part II Provisos, Section 82.

Also see "Deferred Retirement Option Plans;" 

**Tennessee.** Chapter 903, Laws of 2000, allows teachers who have been retired for at least one year to return to service without loss of benefits under certain conditions including district certification that no other qualified person is available; that the area is certified as lacking qualified teachers; the returning teacher is not eligible for tenure or additional retirement benefits; that appointments are for one year at a time; and certain salary limitations. The program will expire in 2005.