



**Survey on Public Retirement System  
Return-to-Work Policies  
June 2008**

*42 systems responded to this survey  
(some respondents did not respond to every question)*

***Are your retirees eligible to be re-employed after retirement with employers participating in your retirement system?***

**Yes: 41      No: 1**

***Are retirees allowed to renew membership and accrue future benefits?***

**Yes: 26      No: 15**

- Can renew membership and accrue future benefits while current benefit is suspended and employee/employer contributions are required. When covered employment ends: 1) If earn min 1 yr service, benefit is recalculated. 2) If earn less than 1 yr service, refund includes employee contributions, interest and matching amount.
- Disability retirees can be reinstated to membership.
- Retirees who terminate their retirement may return to work and accrue additional benefits.
- Retirees are allowed to work up to an hourly standard either 600 or 1000 hours a year. If they exceed those levels, they must be enrolled in IMRF. Benefits cease and new benefits begin to accrue.
- Yes currently, but no for new hire as of 9/1/08.
- Though returning retirees will have the tiered benefit structure available for all new hires. This structure provides a lower multiplier for the first 10 years service. Option 2: Re-hired retirees may regain membership in LASERS by repaying all retirement benefits received plus interest at the actuarial rate. This option is NOT available to re-employed retirees who participated in the Deferred Retirement Option Plan (DROP) or the Initial Benefit Option (IBO), or who elected to participate in early retirement. Option 3: Re-hired retirees may suspend retirement benefits effective the date of re-employment and become a contributing member of LASERS based on current employment. Employee and employer contributions must be paid. Upon subsequent retirement, retirement benefits will be resumed. If employee continues employment for less than 36 months, they receive a refund of the contributions paid. If they continue employment for 36 months or more, a supplemental benefit is accrued.
- Yes, if they defer receiving retirement benefits.
- Not generally, only under certain conditions.
- Specific to Public School employees - and with very stringent restrictions & requirements.
- After receiving 1 year of service credit a new membership is established. They can retire once again and receive an additional benefit based on this new membership.
- A retiree may return to covered service and may qualify for a recalculation of benefits to include the additional service credit upon the subsequent retirement provided that the retiree is reemployed for more than six calendar months.
- Yes; if a retiree is in a regular contributing position his or her benefit will be suspended and he or she will become an active member in the Retirement System. As such, all subsequent time in the contributing position will count as credible service and the member will accrue future

benefits. A regular contributing position would be one that is permanent, more than part-time, and working directly for the government employer.

- They can accrue only if they suspend their pension.
- In limited circumstances
- Only if member suspends payment of retirement benefit and rejoins the System. In general, eligible for an additional benefit after two years of additional service.
- There is a separate money purchase account established -- they are not eligible to be in the defined benefit or defined contribution plan.
- The re-employed retiree and the employer both make the same contribution (10% for the employee and 14% for the employer) as they would for an active member. At final retirement, the individual receives an annuity based on his/her contribution and 10% of the employer's 14%, plus interest. They may choose a lump sum payment also.
- Yes, after retiree has worked 48 months, he may elect to cancel retirement & become active again.
- Cannot accrue additional DB benefit but contributions that would have been made for the DB plan must go into a DC account for the member.
- Retirees can opt back into membership.
- If an annuitant elects to return to active WRS participation, the annuity will be cancelled and the WRS account will be reactivated.

***Are retirees allowed to receive a retirement benefit and a salary payment from the employer at the same time?***

**Yes: 39            No: 3**

- Allowed up to 110 days/720 hours per calendar year of covered Colorado PERA employment or employment for Colorado PERA affiliated party.
- After a retiree has worked or provided service to an employer totaling 1,040 hrs in a calendar year, benefits are suspended for the remainder of the calendar year.
- Effective 7/1/08, service retirees under a normal service retirement who have been retired for 12 months, may return to work as a classroom teacher, media specialist, principal, counselor or superintendent.
- Covered earnings limited to 30,000 or there are benefit reductions.
- Retirees are allowed to work up to an hourly standard either 600 or 1000 hours a year. If they exceed those levels, they must be enrolled in IMRF. Benefits cease and new benefits begin to accrue.
- Yes- for those rehired prior to 9/1/08. No for new hires after 9/1/08.
- The salary allowed for retirees returning to work is limited to 75% of the former salary if the retiree had 30 years or more service at the time of retirement, and salary is limited to 65% of the former salary if the retiree is returning with less than 30 years service.
- Option 1: Retiree may draw full retirement benefits provided his earnings from employment do not exceed 50% of the annual retirement benefit for the fiscal year.
- Yes, after a 1 year waiting period.
- Yes, if they waive accrual of additional service credit and higher AFC.
- State employees are not allowed; school employees are allowed under certain conditions.
- Specific to Public School employees, and with very stringent restrictions & requirements.
- Retirees can earn up to the Social Security maximum for under normal retirement age, currently \$13,560. If the earnings exceed the threshold, the retiree's monthly pension is either suspended or offset \$1 for every \$2 of earnings exceeding the threshold. The withheld payments are held in an account for the re-employed retiree and earn 6 percent interest, compounded annually. The balance in the account is payable to the retiree one year after the person has terminated the position held after retirement.

- Yes. Members of PSRS must work part-time or as a temporary-substitute. They can work a total of 550 hours in a school year, but cannot earn more than 50% of the annual compensation payable for the position.
- A retiree may continue to receive a service retirement allowance while working for a covered employer on a limited basis.
- Yes; in order to receive a retirement benefit and a salary, the retiree must abide by earnings restrictions and a mandatory waiting period (separation in service).
- As long as the retiree works less than "full-time" in an enrollment-required position.
- Only if the position has been declared critical need by the employer's governing body.
- Within statutory limits or exceptions, see Oregon Revised Statutes 238.082.
- Must separate from the employer for six months and then can be rehired with no suspension of the retirement benefit.
- There are annual hour limits for how long they can continue receiving their benefit after re-employment.
- If the annuitant elects not to participate in the WRS, they will remain an annuitant and can keep working without WRS coverage.
- Only emergency return to work employees may receive a pension benefit and salary, but are limited to 95 days of work annually.

***Are there benefit limitations (i.e., waiting period, etc.) or conditions associated with their re-employment by a participating employer?***

**Yes:** 38            **No:** 4

***Please describe:***

- Must be normal retirement age or have a bona fide break in service; position must be temporary; employment is limited to 960 hours per fiscal year; special skills may be required; various exceptions are allowed.
- One month waiting period & 110-day/720-hour calendar year covered employment limit includes work for any Colorado PERA affiliated party.
- May not return to work during the month that retirement becomes effective.
- Retirees must be retired 12 months before being eligible to return to work full-time and receive TRS benefit payments.
- Must be out of employment 4 months.
- No waiting periods. Must work less than the hourly standard.
- A member must be separated from service for at least 90 days; however, effective 7/1/08 it will be 30 days.
- A retiree must have a 30-day break in service before returning to work for a participating employer. If they return to work for their previous employer there is a \$20,000 earnings limitation. If they return to work for a different participating employer there is no limitation.
- Retirees returning to work full-time to the same employer must have a one-year break in service - Part-time to the same employer or full-time with a new employer they must have three month break in service.
- Retirees must wait 1 year from date of retirement to receive benefit and salary. If they return prior to the 1 yr, their retirement benefit is suspended until they terminate employment or until they reach 1 year, whichever occurs first.
- Employed retirees who are retired on a standard (not disability) retirement have an annual hour limit (960 hours) and a dollar limit (difference between their pension and the current salary for the position from which they retired) as to their earning capacity. There are exceptions to this general rule.
- If re-employed by same employer, the retiree is subject to an earnings limitation.
- For those who retire below normal retirement age the waiting period is 30 calendar days.
- See this link- [http://www.michigan.gov/orsschools/0,1607,7-206-36502\\_36516---,00.html](http://www.michigan.gov/orsschools/0,1607,7-206-36502_36516---,00.html)

- Beginning in 2008, for retirees who are under full retirement age as defined by Social Security, the earnings limitation is \$46,000. If the retiree earns and amount over the limit, then the following calendar year, \$1 in benefits is deferred for each \$2 above the limit to a separate savings account for later distribution.
- An individual cannot have a pre-arrangement, either verbal or written to return to work and must not return to work with the employer either as an employee or an independent contractor for at least 30 calendar days from the date of termination of service.
- Members may not work in regular PSRS-covered employment for 60 days following their effective date of retirement or sign a contract for regular, full-time PSRS-covered employment until after receiving the first PSRS retirement benefit payment. Members who violate these rules must repay any benefit payments received while ineligible.
- After a required 45-day separation period, a retiree may be reemployed on a half-time or less basis with a covered employer while receiving his or her service retirement allowance. Alternatively, a retiree may be re-employed without a specific limit on hours worked but with a limit on salary not to exceed 25% of the final average salary used in computing his or her service retirement allowance.
- A 30-day break in service and acceptance of first retirement benefit. Limit of 960 hours; if they work over 960 hours, benefit is reduced \$1 for \$1.
- Yes; all Teachers' and State Employees' Retirement System retirees are subject to a six-month mandatory waiting period (separation in service) from their retirement date to the date when they begin work with a participating employer, and there are restrictions on the type of service that can be performed (even in the capacity of a volunteer) during this waiting period. Local Governmental Employees' Retirement System retirees are subject to a waiting period of one month. Teachers' and State Employees' Retirement System (except those returning as classroom teachers more than 50% of the time) and Local Governmental Employees' Retirement System retirees also have an earnings restriction: the retiree is not allowed to earn more than 50% of his or her pre-retirement income or \$28,060 (adjusted for CPI), whichever is higher. Teachers' and State Employees' Retirement System retirees going back to work as a classroom teacher more than 50% of the time are exempt from the earnings restriction. In addition, retirees in both systems must return to a non-contributing position (e.g., part-time or contractor).
- As long as the retiree works less than "full-time" in an enrollment-required position. If a member returns to full-time employment, the retirement annuity stops until such time when the member retires again.
- They must sit out the first 90 days after their retirement date before returning to work.
- In non-critical need reemployment a retiree may earn up to 1/2 the average salary of the regular plan, as long as they do not work more than half time.
- (1) Can earn up to a certain amount (currently \$30,000) each calendar year working on a temporary or occasional basis; (2) can exceed limit if receive a waiver from agency with jurisdiction over that particular public employer BUT must wait six months (may soon change to 1 yr) before returning to work for former employer; (3) waiver earnings limited if received pay from employer in the 2 yrs prior to retirement and those salaries used in FAS calc.
- If a member becomes re-employed in a position covered by Ohio PERS anytime within the first two months after the benefit effective date, the first two months of the annuity are forfeited.
- The member must wait two months (60 days) following retirement before returning to work. If they choose not to wait, they must forfeit their first two benefit payments.
- But some re-employment exceptions that allow a member to continue receiving benefits require a period of separation from employment.
- 15-day break in service requirement
- Must have full and complete termination.
- Salary limits, limited to 120 days in 12-month period, must wait 60 days after retirement.
- A retiree may return to work with the same employer one calendar month from their termination date as long as the termination was bona fide under IRS guidelines, and there was no prior agreement or understanding for re-hire, and at least one month has passed before re-hire. A

retiree may return to work with a different participating employer with no restrictions and no effect on their pension payments.

- Must be off state payroll for at least 30 days prior to returning to work, otherwise retirement is cancelled.
- Must separate for 6 months from the employer from whom they retired. They can go to work immediately with another covered employer.
- Retirees returning to work with a covered employer must undergo a waiting period of at least 30 days, have no prearrangement prior to retirement, and work no more than 80% of a full-time schedule.
- There are annual hourly limits that retirees cannot exceed and continue to get their benefit. The limits are different depending on the Plan Tier from which the individual retired.
- 1) Person hired must have previously been covered under the WRS; 2) minimum break in service has been met.
- 30-day break in service

***If your retirement system includes state government employees, are the re-employment restrictions and/or exceptions for retirees re-employed by the state different than those of your other public employers (i.e., local government, school districts, etc.)? 35***

**Yes: 10          No: 26**

***If so, please explain:***

- Retirees re-employed by state employer must meet the same civil service eligibility requirement as active employees.
- 1) Judges in Senior Judge Program are not subject to Colorado PERA 110 day/720 hour cal. yr. post-retirement provision. Senior judges who perform assigned judicial duties (under agreement with Chief Justice) without pay for 60-90 days per calendar year & receive benefit increase (20% for 60 days work, or 30% for 90 days work) of current monthly salary of judge serving in position from which judge had retired. 2) Colorado PERA retiree retired before 6/3/94 employed under public college or university Optional DC Retirement Plan covered position not subject to 110/720-hour cal. yr. work limit but employer contributions are required. 3) Colorado PERA retirees who serve as state legislators are exempt from 110-day/720 hour cal. yr. post-retirement limit.
- Public school employees (non-teaching) are not restricted in post-retirement employment.
- Our system does not include state employees (we cover municipal employees). That said, each retirement system in Illinois has its own unique return to work rules.
- Retirement system does not include state employees.
- For state employees rehired on or after October 1, 2007, the pension will be suspended- see this link-[http://www.michigan.gov/orsstatedb/0,1607,7-208-30608\\_48470---,00.html](http://www.michigan.gov/orsstatedb/0,1607,7-208-30608_48470---,00.html)
- State employees who retire after age 62 can return to work 30 days later on a part-time basis for up to five years and not be subject to the earnings limitations.
- Yes; all Teachers' and State Employees' Retirement System retirees are subject to a six-month mandatory waiting period (separation in service) from their retirement date to the date when they begin work with a participating employer, and there are restrictions on the type of service that can be performed (even in the capacity of a volunteer) during this waiting period. Local Governmental Employees' Retirement System retirees are subject to a waiting period of one month. Teachers' and State Employees' Retirement System (except those returning as classroom teachers more than 50% of the time) and Local Governmental Employees' Retirement System retirees also have an earnings restriction: the retiree is not allowed to earn more than 50% of his or her pre-retirement income or \$28,060 (adjusted for CPI), whichever is higher. Teachers' and State Employees' Retirement System retirees going back to work as a classroom teacher more than 50% of the time are exempt from the earnings restriction. In addition, retirees from both systems must return to a non-contributing position (e.g., part-time or contractor).

- Refer to list of exceptions at Oregon Revised Statutes 238.082.
- Not familiar with the various re-employment restrictions of all the local government and school districts.

***Are retirees who have returned to work required to make retirement contributions?***

**Yes:** 19      **No:** 23

***Comments:***

- They are specifically prohibited from making contributions.
- If they work over an hourly standard (either 600 or 1000 hours a year).
- No. However, they must make an irrevocable election to contribute or not.
- Yes- for those rehired prior to 9/1/08. No for new hires after 9/1/08.
- Depending on the re-employed retiree option selected.
- Retirees are not permitted to rejoin the System.
- If they defer receiving a retirement benefit and choose to continue to accrue service credit.
- Specific to Public Schools - if they want to reestablish credit. THEN they must make up the contributions along with a whole bunch of other stringent requirements.
- We will be reviewing our re-employed retiree provisions this fall for possible modifications in 2009.
- The contribution rate is the same as other active employees.
- If the retiree is working on a limited basis while receiving his or her service retirement allowance, the employee is not required to make a contribution.
- No, except for retirees who have gone back to work in regular contributing positions (active members).
- Yes, if they return to a full-time position.
- If they have elected to reenroll.
- The contributions are the same as active employees, but the contributions are placed in the Money Purchase Plan. Employee contributions can be taken as a refund, if under age 65. If age 65 or older, a monthly annuity or lump sum are available.
- The re-employed retiree and the employer both make the same contribution (10% for the employee and 14% for the employer) as they would for an active member. At final retirement, the individual receives an annuity based on his/her contribution and 10% of the employer's 14%, plus interest. They may choose a lump sum payment also. (So yes, 10% of pay.)
- Only if no exception applies that would allow them to continue to receive benefits.
- Membership enrollment and contributions in the System are mandatory for permanent full and part-time employees.
- If the annuitant elects to participate in the WRS and the employer does not pick up the employee's required contribution.
- There is a fee equal to the contribution rate.

***Are employers required to make retirement contributions on behalf of retirees who have returned to work?***

**Yes:** 26      **No:** 16

***Comments:***

- They are specifically prohibited from making contributions.
- Yes, employer contributions are required under 110-day/720-hour cal. yr. post retirement provision. Exceptions: Senior Judges & Colorado PERA retiree who serves as state legislator.
- Employers must pay applicable employee and employer contributions.
- If they work over an hourly standard (either 600 or 1000 hours a year).

- Yes, if they are in a PERF covered position and earning service they must pay required contributions.

**Responding systems (Thank you!)**

- Arkansas Highway Employees Retirement System
- CalPERS
- CalSTRS
- Colorado PERA
- Employees' Retirement System of Georgia
- Teachers Retirement System of Georgia
- Iowa Public Employees Retirement System
- Illinois Municipal Retirement Fund
- Indiana Public Employees' Retirement Fund
- Kansas Public Employees Retirement System
- Kentucky Retirement System
- Kentucky Teachers Retirement System
- Louisiana SERS
- Teachers' Retirement System of Louisiana
- Massachusetts State Employees Retirement System
- State Retirement and Pension System of Maryland
- Maine Public Employees Retirement System
- Michigan Office of Retirement Services
- Minnesota Teachers Retirement Association
- Minnesota Public Employees Retirement Association
- Public School and Education Employee Retirement Systems of Missouri
- Public Employees' Retirement System of Mississippi
- Montana Public Employees' Retirement Administration
- New Hampshire Retirement System
- North Carolina Retirement Systems
- Public Employees Retirement Assn. of New Mexico
- Nevada PERS
- New York State Teachers' Retirement System
- Ohio State Teachers' Retirement System
- Ohio Public Employees Retirement System
- Oregon Public Employees Retirement System
- Pennsylvania State Employees' Retirement System
- South Carolina Retirement Systems
- South Dakota Retirement System
- Tennessee Consolidated Retirement System
- Employees Retirement System of Texas
- Texas County & District Retirement System
- Utah Retirement Systems
- Virginia Retirement System
- Washington State Department of Retirement Systems
- Wisconsin Retirement System
- Wyoming Retirement System