



Preparing for Retirement

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Know Your Limitations for Postretirement Employment

Once you are a retiree of any RSA agency, there are very strict guidelines that must be followed when it comes to **Postretirement Employment**. Knowing these limitations can save you a lot of hassle and worry. You can read the guidelines for Postretirement Employment in your Member Handbook or on the RSA Web site at www.rsa.state.al.us. Go to either ERS or TRS; go to Retiree Information; and click on *Working After Retirement*.

Listed below are important points to remember if you are working or planning to work for an RSA agency after your retirement from the RSA. If you have any doubt whatsoever about your postretirement employment, call the ERS or TRS immediately.

- Retired members cannot be employed or under contract for **permanent, full-time** employment with an ERS or TRS member agency. For example, an ERS retiree employed with a TRS agency as a bus driver must terminate his or her retirement benefit. A bus driver is considered a full-time position. TRS or ERS retirees who become elected officials should contact the TRS or ERS to see if the limitation applies to them.
- The retiree's compensation cannot exceed the limitation on earnings. The limits are subject to change from year to year based on the Consumer Price Index. For calendar year 2008, the limitation is **\$21,000**. In the year of retirement, the limitation is \$1,750.00 per month.
- If the retiree exceeds the limitation on earnings, the retirement benefit will be suspended for the remainder of the calendar year. If the retiree is subject to a monthly earnings limitation, the benefit will be suspended for the remainder of the month.
- A retiree who is reemployed full-time for a minimum of two years is eligible to request re-enrollment in the ERS or TRS. Upon approval, the member would pay the contributions plus interest for the two-year period of non-contributing service and begin contributing on future compensation.
- A disability retiree's limit is the lesser of the same limitations as a non-disabled retiree or the difference between the average final salary and the annual retirement benefit.
- Retirees providing services to TRS or ERS agencies on a contractual basis may be subject to the limitations on earnings and remunerations. Retirees should provide a copy of the contract to the TRS or ERS.
- There are no limitations on earnings for a retiree employed in private industry, private education or a non-participating RSA agency. If you have a disability retirement, however, there is a limitation. Please contact the TRS or ERS for information on this limitation.

Not knowing exactly what your options and guidelines are can cause you problems and even result in your benefit being suspended. Do not let it happen to you. Keep yourself updated and educated on the rules governing Postretirement Employment and do not forget to call the ERS or TRS if you are ever in doubt.

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