

Postretirement Employment

Limitation on Earnings

An ERS service retiree employed with an ERS or TRS member agency may continue to receive retirement benefits provided the retired member meets **both** of the following conditions:

1. The retiree must not be employed or under contract for permanent, full-time employment.
2. The retiree's compensation cannot exceed the limitation on earnings. The limits are subject to change each year based upon the Consumer Price Index (CPI). The limit for the 2010 calendar year is \$22,000.

If a retiree's compensation exceeds the annual limitation on earnings, the retirement benefit will be suspended for the remainder of the calendar year or for the remainder of the month if the retiree is subject to a monthly earnings limitation.

- ◆ Retirees who return to work with an ERS or TRS member agency in the same calendar year as their retirement are subject to a monthly earnings limitation, except those who retire on January 1. The monthly limitation is 1/12 of the yearly limitation, which for 2010 is \$1,833.33. Retirees who retire effective January 1 of a given year are only subject to the **annual** earnings limitation amount.
- ◆ Retirees who return to work with an ERS or TRS member agency in a subsequent year from their retirement are subject to a yearly earnings limitation.
- ◆ If an ERS or TRS retiree exceeds the annual or monthly limitation on earnings, the employing agency must notify the RSA immediately. Any questions concerning postretirement law should be directed to the ERS.

Employment with the TRS

An ERS retiree who is employed with a TRS member agency in a position eligible for retirement coverage must begin participation in the TRS. The member's ERS retirement account will be terminated and remaining funds and creditable service will be transferred and credited to the new TRS account.

Disability Retiree

A disability retiree employed with an ERS or TRS participating agency is subject to the following limitation: The lesser of the same limitations as a service retiree or the difference between the average final salary and the annual retirement benefit.

If the retiree is employed with a non-ERS or non-TRS agency, in private industry or private education, earnings cannot exceed the difference between the average final salary and the annual retirement benefit. The earnings restriction is waived upon attaining age 60.*

**Age 52 for a State Policeman*

Contract Employment

Retirees providing services to ERS or TRS agencies on a contractual basis may be subject to the limitations on compensation. If an ERS or TRS agency has entered into a contract with an ERS or TRS retiree, please provide a copy of the contract to the ERS to confirm whether or not this contract would violate the postretirement employment law.

Private Employment

There are no limitations on earnings for a **service** retiree employed in private industry, private education, or a non-participating RSA agency.

Full-Time Employment with the ERS

An ERS retiree who is employed full-time with an ERS member agency must have his or her retirement benefit suspended until he or she withdraws from service again. If the retiree is employed in a position eligible for retirement coverage for a period of two years and the retiree did not participate in DROP, he or she may petition the ERS Board of Control to permit the resumption of participation in the ERS. Upon approval, the member would pay the contributions of the two-year period of non-contributing service and begin contributing on future compensation.

Upon subsequent termination of employment, the member's retirement benefit will be recalculated to include service accrued since reemployment. The member would also be allowed to reselect a retirement option and beneficiary.

Elected Officials

An ERS retiree who is elected or appointed to an office that is covered under the ERS must have their benefit suspended once compensation from the office exceeds the annual limitation on earnings.

An ERS retiree who becomes an elected official and participates in a supernumerary plan may continue to receive his or her retirement benefit while he or she serves in the elected position. However, if the ERS retiree is ultimately eligible to become an "appointment supernumerary official," he or she would not be able to receive both the ERS retirement benefit and the supernumerary benefit.