

## *TRS Retirees Returning to Work: Law and Policy*



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# Retirees Returning to Work - RTW



## ○ Retirees may return to non TRS-covered positions without restrictions

- Private sector employment
- Private school employment
- Out-of-state employment
- ORP, ERS, PSERS under certain conditions

## ○ If returning to TRS-covered position

- All employment of a TRS retiree must be reported to TRS prior to employment
- Retiree must have one-month “break-in-service”
- TRS will review all work on a monthly basis



# Full-Time Employment - RTW



- House Bill 495
- Allows qualifying retirees to continue working full-time and receive monthly benefit
- Must be on service retirement on or before 12/31/2003
- Local school systems may employ a retiree as a full-time classroom teacher, principal, superintendent, counselor, librarian, or improvement specialist
- RESAs may employ a retiree as a full-time improvement specialist
- Employers must pay normal employer contributions
- Retirees do not contribute to TRS and cannot receive employee benefits or creditable service
- Not contractual and could change with future legislation



# Full-Time Employment - RTW (Cont.)



- Retirees may return to full-time work with any agency that is not covered by TRS
- Some agencies provide a choice of TRS and another retirement plan to new hires
  - BOR offers TRS and, if eligible, ORP
  - DTAE offers TRS, ERS, and PSERS
  - DOE offers TRS and ERS
  - Local BOEs offer TRS and PSERS to supervisors and managers in lunchroom, maintenance, warehouse, and transportation positions
- If retiree accepts employment where a choice exists, then rules apply.



Retiree Returning Full-Time To:	Retired With TRS Pension From This Agency			
	BOR	DTAE	DOE	Local BOE
<b>BOR</b>	NOT allowed, including switch to ORP	Allowed under ORP  Must elect ORP within 60 days of employment	Allowed under ORP  Must elect ORP within 60 days of employment	Allowed under ORP  Must elect ORP within 60 days of employment
<b>DTAE</b>	Allowed under ERS  Must elect ERS or PSERS within 30 days of employment	NOT allowed, including switch to ERS	Allowed under ERS  Must elect ERS or PSERS within 30 days of employment	Allowed under ERS  Must elect ERS or PSERS within 30 days of employment
<b>DOE</b>	Allowed under ERS  Must elect ERS within 30 days of employment	Allowed under ERS  Must elect ERS within 30 days of employment	NOT allowed, including switch to ERS	Allowed under ERS  Must elect ERS within 30 days of employment
<b>Local BOE</b>	Allowed under PSERS  Must elect PSERS within 30 days of employment	Allowed under PSERS  Must elect PSERS within 30 days of employment	Allowed under PSERS  Must elect PSERS within 30 days of employment	NOT allowed, unless new position in retirement is different from position <b>prior to</b> retirement; Position must be covered under PSERS and election must be made within 30 days of employment.  OR  Eligible under HB 495

# Part-time Employment - RTW (Cont.)



## Hourly



- Maximum hours per month posted on web
- Based on total business days in month
- Generally observed holidays are deducted
- Allows retiree to earn more in longer months
- Accommodates all employer payroll cycles



# Part-time Employment - RTW




## Salaried



- Up to 49% of the normal full-time compensation for the position being held
- Time worked cannot exceed 49% of normal full-time work status
- Part-time for multiple TRS-covered employers



# Temporary Employment - RTW

A collage of four small images showing diverse groups of people in professional settings. One image shows a group of people looking at a laptop, another shows a woman speaking, and others show groups of people in various work environments.

○ Retiree can be employed in any temporary full-time position for up to three months in a fiscal year and continue receiving monthly benefit payments.

○ The full-time position must be paid at normal compensation for the position being held.





# Other Allowable Employment

## ○ Classroom Aide (Paraprofessional)

- Anything less than normal full-time
- Full-time hours defined by employer

## ○ Substitute Teaching

- Allowable on unlimited basis
- Compensation limited to normal daily rate of pay
- Pay subject to audit

## ○ May work as substitute teacher and part-time

## ○ Adjunct professors

- No restrictions on time worked
- Compensation limited to what the employer historically paid for that position



# Contractual Employment

## Independent Contractor



- Compensation is limited to one-half of either the average annual compensation used to calculate his or her retirement benefit or the final annual compensation at the time of retirement, whichever is greater
- Contract submitted to TRS before employment
- One month service break required
  - If not taken, employer must reimburse TRS for that month's benefit
  - If retiree failed to inform employer of TRS retirement date, then retiree required to reimburse employer for month's benefit
- Multiple contracts with TRS-covered employer
  - Contracts evaluated separately
  - Salary limitation is per employer

# Contractual Employment (Cont.)



## Employed by an Entity Doing Business with a TRS-Covered Employer



- Employed as Independent Contractor
  - Compensation is limited to one-half of either the average annual compensation used to calculate his or her retirement benefit or the final annual compensation at the time of retirement, whichever is greater
  - Contract submitted to TRS before employment
  
- Employed as Employee
  - Treated as private sector employment
  - No compensation restrictions
  - Must be on regular payroll



# Disability Retiree Employment



- Contact TRS prior to employing a disability retiree. TRS needs to speak with you and the retiree to discuss details such as income restrictions.



## General Provisions:

- Employer must complete the employment verification process
- TRS Covered Employers
  - 49% hours/pay rules apply (includes classroom aides)
  - Compensation limited
- Private Sector Employers
  - Compensation limited
  - Member is responsible for reporting employment to TRS
- Disability status can be reviewed at any time



# Checklist for Hiring TRS Retirees



1. Determine if the potential employee is a TRS retiree
2. Submit **Employment Verification** for TRS retirees
3. Keep in mind that TRS retirees must have a break-in-service of at least one month
4. Submit new **Employment Verification** each fiscal year and when employment status changes
5. Remember HB 495
6. Remember rules for temporary employment



# Checklist for Hiring TRS Retirees (Cont.)



7. Follow Working After Retirement guidelines for TRS retirees who are hired as an independent contractor
8. Inform TRS retirees of rules for employment as an independent consultant for an entity that does business with a TRS-covered employer
9. Stay compliant with Georgia law and TRS policy.
10. Contact us at (404) 352-6500 or (800) 352-0650 if there are any questions or visit our website at [www.trsga.com](http://www.trsga.com)

